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REPORT



ROYAL COMMISSION
ON PUBLICATIONS 



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REPORT / ROYAL COMMISSION ON PUBLICATIONS



REPORT

ROYAL COMMISSION ON PUBLICATIONS

MAY 1961

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Ottawa, 1961

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TO HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL,

May It Please Your Excellency,

WE, THE COMMISSIONERS, APPOINTED AS A ROYAL
COMMISSION IN ACCORDANCE WITH THE TERMS OF
ORDER IN COUNCIL P.C. 1960-1270 DATED 16TH
SEPTEMBER, 1960, TO ENQUIRE INTO AND MAKE
RECOMMENDATIONS CONCERNING THE POSITION
OF AND PROSPECTS FOR CANADIAN MAGAZINES
AND PERIODICALS:

beg to submit to Your Excellency

the following report:

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The Commission's first acknowledgment of debt must go to the large number of Canadians who showed a helpful interest in the inquiry in so many ways. In addition to the 188 briefs from individuals and organizations in all provinces of Canada, we received over 200 letters and memoranda from as far away as Mexico, Switzerland, England and Australia.

For our hearings in six of the ten provinces, we were graciously provided with comfortable quarters by provincial, municipal, university and other authorities.

The advice contained in briefs and letters to the Commission does not make up the full total of the assistance we received within Canada. During over 7,000 miles of travel across the country, we had hundreds of informal talks with men and women who had special information to give or a special point of view to express. To these we make grateful acknowledgment.

We are under obligation to many officers of the Public Service of Canada for technical and professional advice upon numerous matters and for the preparation of informative reports and studies on a number of relevant topics. Especially, we wish to record our appreciation to Mr. A. F. W. Plumptre and Mr. C. M. Isbister, both Assistant Deputy Ministers of the Department of Finance; to Mr. J. Gear McEntyre, Mr. R. C. Labarge and Mr. L. Green of the Department of National Revenue; to Mr. G. A. Boyle, Mr. W. M. MacLean and Mr. D. Gill of the Post Office Department; to Mr. A. A. Cattanach and Mr. H. Arbique of the Department of the Secretary of State; to Mr. James A. Roberts, Deputy Minister of Trade and Commerce; to Mr. W. E. Duffett and Mr. G. A. Browne of the Dominion Bureau of Statistics and the International Trade Relations Branch of the Department of Trade and Commerce; to Mr. N. A. Robertson and Mr. K. B. Williamson of the

Department of External Affairs; to Dr. C. A. Morrell, Food and Drug Directorate, Department of National Health and Welfare; to Mr. E. A. Driedger, Mr. T. D. MacDonald, Mr. S. Samuels and Mr. D. H. W. Henry of the Department of Justice; to Mr. W. D. Mills and Mr. W. C. Pearson, of the Board of Broadcast Governors; to Mr. G. Roberge of the National Film Board; and to Mr. D. H. Fullerton of the Canada Council.

In the day to day operation of the Commission, we frequently had resort to the guidance of Mr. H. R. Balls, Comptroller of the Treasury, and Mr. N. E. Beach, one of its officers.

In starting the Commission and in its operation, Mr. Ross Martin, Assistant Secretary to the Cabinet, and Major Norman Lafrance, the Assistant Secretary of the Royal Commission on Transportation, gave invaluable advice.

In the recent weeks of preparing our report we have been under special obligation to Mr. Pierre Daviault and Mr. J. M. Magnant, of the Bureau of Translation; and to the Queen's Printer and his most co-operative staff at the Department of Public Printing and Stationery.

The members of the Commission feel themselves to be under a great and definite obligation to our own immediate staff. They were a small group of able, cheerful and hard-working men and women.

The report of the Financial Consultants, Mr. James M. Dunwoody and Mr. C. Bruce Magee, reveals the thoroughness with which they approached their duties. We now only underline our acknowledgement to them and also to their respective associates and staffs.

We were particularly fortunate to obtain the services of Mr. Sidney Roxan and Mr. Leonard Evans from the Dominion Bureau of Statistics and Dr. Peter Cornell from the Bank of Canada, as our Research Director, Statistician and Economist, respectively. Their work extended far beyond normal hours and well beyond their particular duties. So also were the contributions of Mr. H. G. Howith, our Research Assistant, and Mr. Gordon H. Quinn, our Administrative Officer. They carried out their duties with the utmost satisfaction. Indeed, the same can be said of all those who in many and in different ways served us so well.

We wish especially to place on record a warm tribute to the devoted services of our Secretary, Mr. Michael Pitfield. His ability, energy, enthusiasm and high competence have been of the utmost help to us in our task.



THE SITUATION

Only a truly Canadian printing press, one with the “feel” of Canada and directly responsible to Canada, can give us the critical analysis, the informed discourse and dialogue which are indispensable in a sovereign society.

The view of the Commission is that in an area as vital and sensitive as that of the press, whatever is done should be positive rather than negative, with the goal the promotion of the Canadian periodical, not the suppression of the foreign.

COMMUNICATIONS

1

SCOPE OF THE INQUIRY

This Commission was appointed to investigate every aspect of the Canadian periodical publishing industry with a view to insuring its place in Canada's way of life. The Commission, in discharging this task, deemed it necessary to examine the role of communications in Canada, believing that only after study of the whole could useful judgment be formed upon the efficacy of one of its parts.

During the course of its inquiry, the Commission was urged to found its inquiry on purely economic grounds. This has not been possible because, while many of the problems faced by Canadian periodicals are economic, the nature of modern communication is such that its effects carry enormous social and political, as well as economic, implications. Like the two sides of a coin, the 'cultural' and economic are virtually inseparable, and neither can provide a complete perspective in itself. The Commission therefore, has taken account of both points of view.

THE ROLE OF COMMUNICATIONS

Communications have never been so effective, nor the professional communicators so skilled as they are today. Through magazines, newspapers, radio and television, in both editorial and advertising matter, countless millions are reached with unprecedented speed and impact. News of Napoleon's retreat from Moscow was brought to this continent by a sailing ship two months after the event. Today Napoleon would be issuing nightly communiques on his march, and Marshal Ney would be telling on television how he was the rear guard of the Grand Army.

This speed has its perils as well as its virtues. For often our communications are more swift than sure. They have an Alice-in-Wonderland quality about them because the professionals appear to think more about how they are communicating than why they are doing it. Facts are dramatized into distortions and false dimensions given to reality, this when the need for more truthful communication has never been so vital.

But it is in the sphere of criticism, of informed debate and discussion, in the search for truth, that the character of communication becomes important. Socrates saying that the unexamined life is unfit to be lived is as applicable to a nation as to an individual. A society or community, deprived of searching criticism of its own, among its own and by its own, has within it seeds of decay.

The role of communications goes even wider. Indeed, where Macaulay once described parliamentary government as government by talking, he could today describe democratic government as government by communication.

Every nation must provide within itself the means of maintaining stability. In North America today this function is largely directed and exercised through the communications media. No technique of social control could be more reflective of our ideals of freedom and competition. Here is no coercion. The teacher explains, the politician proposes, the salesman displays and society—when it is satisfied—acts. It is a process of suggestion and of persuasion, the very essence of democracy. Without it, without the printed word, without media of information, of disputation, of criticism, there could be no progressive social action, no meaningful political purpose in a free society.

In this role, communications are the thread which binds together the fibers of a nation. They can protect a nation's values and encourage their practice. They can make democratic government possible and better government probable. They can soften sectional asperities and bring honorable compromises. They can inform and educate in the arts, the sciences and commerce. They can help market a nation's products and promote its material wealth. In these functions it may be claimed—claimed without much challenge—that the communications of a nation are as vital to its life as its defences, and should receive at least as great a measure of national protection.

In contrast, as many peoples of the world have discovered in

our time, the creative powers of communication can be perverted to evil. They can twist and distort values. They can create false patterns of behaviour. They can weaken loyalties. They can disunite a nation and inhibit its commerce. To bring the dangers home, the information and discussion channels upon which Canadians must depend for their freedom and development, for what has been called "The Canadian Experience", can be used to weaken or destroy us if any single irresponsible group within our nation, or any force outside it, be permitted to seize or control them.

The theory on which communications media have been granted immunity from the State—this apart from our allegiance to freedom—is that with a sufficiency of voices the shortcomings or excesses of some are corrected or counterbalanced by the virtues of others. Fundamental principles of our society apply, namely: reliance on competition, on fighting faiths taking their chances in the market place of ideas. But what we are compelled to ask ourselves now—what this Commission has had to consider—is the stark question of what may happen to our Canadian society, to our future social action if this competition of voices should disappear?

It is a notorious fact that for more than two decades the mortality rate for Canadian magazines has been far greater than the birth rate. The variety of circumstances has made new publication ventures all but prohibitive, an area into which only fools or millionaire angels would rush in. The most glowing picture of the Canadian periodical industry indicates a degree of centralization which will inevitably result in the domestic periodical medium falling more and more into the hands of a very few publishers. Worse still than the elimination of competition among Canadian voices, is the possibility of there being no Canadian voices at all.

FACTORS OF SIZE AND GEOGRAPHY

That this danger exists there can be no doubt. Canada is a youthful, polyglot country situated beside a powerful neighbour with which it shares a common language, a common economy and—to a considerable degree—a common origin and history.

The tremendous expansion of communications in the United States has given that nation the world's most penetrating and effective apparatus for the transmission of ideas. Canada, more than any other country, is naked to that force, exposed unceasingly to a vast network of communications which reaches to every corner

of our land; American words, images and print—the good, the bad, the indifferent—batter unrelentingly at our eyes and ears.

Nor can it be claimed that Canada's daily and weekly newspapers, excellent though most of them be, provide an effective counterbalance. Canada has no national newspapers such as the *London Times* and the *Guardian* of Manchester, and no powerful weekly journals such as the *London Observer* and the *Sunday Times*. Our Canadian newspapers are almost necessarily local or provincial in character, and have little impact upon the nation as a whole.

Therefore, so far as the printed word is concerned, it is largely left to our periodical press, to our magazines big and little, to make a conscious appeal to the nation, to try to interpret Canada to all Canadians, to bring a sense of oneness to our scattered communities. It is but necessary to note the veritable deluge of United States' publications submerging Canadian print on our newsstands to understand the magnitude and, in the past, the impossibility, of their task. So pervasive, indeed, is this penetration, so obviously fraught with social and economic consequences, no examination of any aspect of Canadian communications can fail to take it into account. Here, inescapably, is the stuff of national concern.

DANGERS OF DISTORTION

But in its examination of all these factors, this Commission has tried to avoid a danger: the danger of distorting what clearly is a consequence of geography, history and population, unplanned and unconscious, into a matter of deliberate design.

From the outset of our inquiries we condemned this mood, discouraged submissions made to us in undertones of anti-Americanism, or of Canadian ultra-nationalism.

The Commission has rejected, too, the too-widely voiced opinion that the culture of the American people is in some way an alien culture, a monolithic, inferior way of life from which Canadians need shelter. The Commission has preferred to believe that the people of Canada, like the people of the United States, are basically North Americans, inheritors of the thought and traditions of Europe, but also the children of geography, products of the environments, the emotions, the driving forces, the faith, the dreams and the forms of expression of the North American continent. Ours has not been what Professor Brebner once called scornfully "a

search for a Canadian accent". Our sole purpose has been to find a way to guarantee for Canadians their own communications media.

THE NEED FOR SELF-SUFFICIENCY

That guarantee, we are convinced, is vital. For while Canada and the United States may have the same basic cultures, they each at the same time have domestic and other tasks and problems—political, social and economic—which differ widely. Canada's particular responsibilities, her government, her constitutional structure, her ideals and aspirations, her memories and milestones, even her discords, are facts in her existence which cannot be approached understandingly or usefully by communications media owned or controlled in another country, even though that country be friendly. Only a truly Canadian printing press, one with the 'feel' of Canada and directly responsible to Canada, can give us the critical analysis, the informed discourse and dialogue which are indispensable in a sovereign society. ✓

THE NATIONAL POLICY

Since Confederation, Canadian governments have maintained a policy which, while encouraging the free development of the nation's resources, has safeguarded control of certain industries deemed essential to the operation of all others. Thus, in transportation, in energy and banking, careful regulatory and protective mechanisms have been devised. Such has not been the case with publishing, which, though measurably more important to the nation than the others, has avoided government interference.

FREEDOM OF EXPRESSION

In our society, freedom of expression—and therefore of the organs of expression—is so firmly established as to require overwhelming justification of anything that might be construed as interference by the State. So sacred indeed is the freedom of expression—or freedom of the press, which is but a function of all freedoms—so essential is it to our way of life that its protection benefits from every doubt of State measures which concern it.

This Commission was not established to devise means of curtailing the freedom of expression, nor to fashion means to in any way limit press freedom. It has not conceived it to be its function to restrict opinion in any way. But this is not to say that venerable and sanctified clichés about 'press freedom', shouted at the Com-

mission through so many of its hearings, should deter it from a sincere accomplishment of its instructions and much less from an honest discharge of its duties to arrive at conclusions and make recommendations, whether or not they entail legislation. There is need to remember that freedom of the press is not an end in itself, but only a function of general intellectual freedom; to remember that no right includes a privilege to injure the society granting it; to understand that a great constitutional doctrine cannot be reduced to a mere business convenience, and that the press is but a Fourth Estate—not a whole community.

The same might be said of the free flow of information and readership preference which are corollaries of freedom of expression. The Commission has been very much aware of the importance of these principles, for which it has had special regard. At the same time, however, it has viewed with distaste the sight of fundamental principles of democracy being sent to act as decoys in the interest of commerce.

THE NATIONAL INTEREST

There is, after all, practically nothing a government can do without impinging upon the rights and privileges of some so that they may harmonize with those of others with which they may conflict. The constant redefinition of rights and privileges is the continuing task of government. That this process is difficult, there is no doubt. However, even in a matter as sacred as the freedom of expression limitations have been applied in the past: no publication has the right to libel. It is not inconceivable that new limitations may be necessary in the future, seeing that with the increased importance and mounting power of mass communications, there must be a corresponding gain in the power and importance of the relatively few people who control the media, and, therefore, a decrease in certain rights of other individuals in the community.

Experience has shown that the changing nature of communications media requires a restatement of national policy. In the past there have been instances—in radio, television and the cinema—where government has been compelled to action because of considerations of character or cost. These steps have been justified on the basis of national interest and there must be few left to deny the right—indeed the duty—of the government to act again if faced with demonstrable community necessity.

All media, although fulfilling the same fundamental role of communications, benefit from particular attributes and advantages. Television and radio both command a mass audience and enjoy the benefit of immediacy. Cinema also makes use of the audio and the visual, but lacks the immediacy of the other two. Print media are more permanent and more selective of audience.

Scope of the Inquiry

DEFINITION AND ROLE OF PERIODICALS

The three forms of publications—newspaper, periodical, and book—overlap. The Commission decided that, for its purposes, a periodical is a printed publication, issued at regular intervals of not less than one week and not more than one year, appearing neither in the form of a book or of a newspaper, nor as a supplement to one particular book or newspaper.¹ Newspapers (whether daily, weekly, monthly or otherwise) have been excluded, as have been yearbooks, almanacs, directories, etc.

CLASSIFICATION OF PERIODICALS

The terms 'journal' and 'review' are generally associated with periodicals of a learned, and consequently limited, appeal. The term 'magazine' is usually applied to a periodical which provides entertainment and general information. The term 'business paper' is commonly used to describe periodicals directed to a commercial readership.

The nature and size of a periodical's readership will influence the advertising appeal of the publication.

'CONSUMER' AND 'BUSINESS' PUBLICATIONS

Periodicals are either 'consumer' or 'business', depending on whether the purpose is the provision of entertainment and general information, or the presentation of commercial or vocational information. Each of

¹ See Note to Appendix H.

these broad categories can be reduced to finer and subtler sub-classifications, including geographic distribution. The distinction between 'national' and 'regional' periodicals is based upon whether or not a periodical's circulation covers the whole market.

Within the consumer periodical field, publications may be regarded as general or specialized, depending upon the audience they aim at. Some, however, are by no means obvious cases. The magazine directed specifically to women, housewives or teen-aged girls, might be thought of as specialized, since it deals with matters which interest females. But the segments of the population to which this kind of magazine is directed are so large that the Commission has treated it as a general consumer magazine.

Three other classes of publications are merely mentioned here because they are dealt with in detail later. These are the groups published in a language other than French or English, the "little" magazines and "cultural" publications, and the farm press.

PROFESSIONAL AND CORPORATE PUBLICATIONS

Besides business periodicals published by commercial publishing houses, there are many publications put out by trade or professional associations or as house organs. These do not compete seriously for advertising revenues, and will not be considered.

'CANADIAN' AND FOREIGN PERIODICALS

A Canadian periodical is one which is owned by Canadians, and which is located, edited, and printed in Canada. It follows that a 'non-Canadian', or, to be precise, a 'foreign' periodical, then, is one that does not conform to all the requirements set out for a Canadian publication.

The present situation

Foreign periodicals appear in Canada in a number of forms, the oldest of which—and the one from which other species proliferate—is *overflow circulation*. Overflow is defined as that part of the circulation of a foreign periodical, as produced for its domestic market, which *flows over* the Canadian border and is sold here. As a *part* of the press-run of a magazine designed for distribution in a foreign country, it follows that overflow copies are identical with copies sold in the country of origin.

The other species of foreign periodicals are grouped together under the generic term *by-product publications*, which have as a common distinguishing feature a difference of some sort—in advertising material, in editorial material, or in both—between the domestic copies and those designated for sale in Canada.

The first variant of by-product publishing is known as the *split run*. It is a device for selling space for advertisements directed only to

potential consumers in particular geographic areas, rather than at buyers scattered as widely as the magazine circulates. The advertiser (or his agency) purchases a specific amount of space in the entire circulation of a magazine, but pays the publisher to stop the presses and substitute a different advertising plate for that portion of the magazine's circulation destined for a particular geographic region. Thus, an American company can direct a message in an American magazine specifically at Canadians, in all copies of the magazine exported to Canada. The advertiser must use—or co-operate with another advertiser in the use of—the space he buys. Variations of the split run technique are, therefore, possible: one advertiser can aim different messages about one brand or several brands at different areas, or two or more advertisers can divide portions of the circulation among them, each using his portion to reach only the particular area in which his portion will be sold.¹ An example of a split run exported to Canada is the *Saturday Evening Post*.

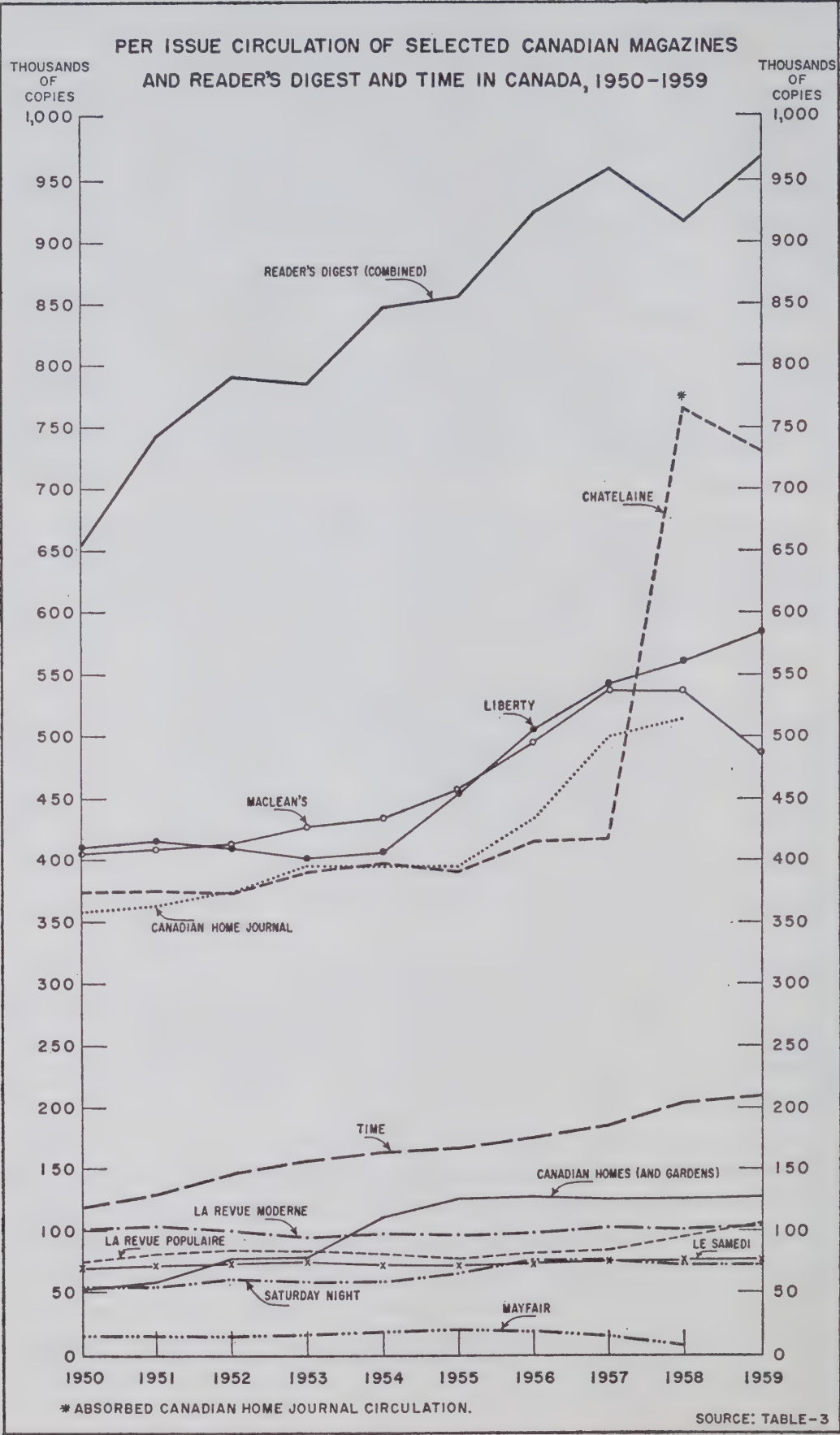
The second type of by-product publishing is the *regional edition*, in all particulars identical to the split run except that the publisher is responsible for the different editions, rather than the advertiser. The publisher is willing to permit an advertiser to buy (for example) one page in all copies of the magazine destined for Canada.

It is also possible to change some editorial material as well as advertising in a regional edition. For example, *TV Guide* has a section of editorial material common to all editions of the magazine, and another section in which both editorial content and advertising are varied according to the area in which the particular copy is sold. Editions of *TV Guide* circulated near the Canadian border and in Canada thus provide no "waste circulation" for the advertiser interested only in the international border-areas.

A third species of by-product publishing is the *Canadian section*, which differs only in one respect from those regional editions which also change editorial material. In a Canadian section, the 'Canadian' matter usually is an addition to and not a substitution for matter in the domestic edition.

These three forms of by-product publishing—split run, regional edition, and 'Canadian' section—are all relatively new merchandising techniques, through which the publisher, by stopping his presses whenever expedient, substitutes or inserts different advertising or editorial matter in copies destined for different geographic areas. In practice, of course, this means that Canada can be—and is—treated merely as

¹ Other combinations and variations are possible. These techniques are so new that there is a lack of a definitive terminology for them. To avoid confusion, only those affecting Canada are cited.



an “area” of the United States, and advertisements or editorial material, or both, directed specifically at Canadians can be—and are—inserted or substituted in those copies of the United States magazine intended for export to Canada.

A fourth variation of by-product publishing, the *Canadian edition*, is a separate press-run, entire in itself. The publisher is willing to re-make as much of his publication as necessary. A substantial amount of the editorial material used in the parent edition is re-used in the ‘Canadian’ edition. It is this re-use which gives the publisher a decided cost advantage, because the profit on the sale of advertising space is greater when editorial material can be used again instead of purchased anew. At present, the two main ‘Canadian’ editions are of *Time* and *Reader’s Digest*. The latter also appears in a French version called *Sélection du Reader’s Digest*.

The *extent* of overflow and by-product competition will be outlined later; its economic *effects* on the publishing industry also will be examined.

GENERAL ENGLISH-LANGUAGE

The general-interest English-language consumer magazines now in existence are *Maclean’s* and *Chatelaine*, published by the Maclean-Hunter Publishing Company Limited of Toronto, and *Liberty*, published by Consolidated Press of Toronto. The weekend-type publications *Star Weekly* (published by the Toronto Star Limited) and *Weekend* (published by the Montreal Standard Publishing Company Limited) are somewhat apart from the traditional consumer periodical. They are printed by rotogravure on a lower quality paper. In addition, *Weekend*, is distributed as an end-of-the-week supplement to a large number of daily newspapers.

Canadian Consumer Magazines

GENERAL FRENCH-LANGUAGE

At present, general-interest French-language consumer magazines are *Le Magazine Maclean* and *Chatelaine*—*La Revue Moderne*, published by Maclean-Hunter, and *La Revue Populaire* and *Le Samedi*, published by Poirier, Bessette et Compagnie Limitée, of Montreal. The major weekends are *La Patrie*, *Le Petit Journal*, *Photo-Journal*, and *Perspectives*, the French-language counterpart to *Weekend*.

REGIONAL-INTEREST

Regional-interest magazines are those with geographically limited circulations, and advertising and editorial content directed, in the main, at inhabitants of a particular geographic area. The largest are *The*

Atlantic Advocate, published by Brunswick Press Ltd., a subsidiary of the University Press of New Brunswick, Limited, of Fredericton, N.B.; *The Montrealer*, owned by Passing Show Publishing Co. Ltd., a subsidiary of the Wallace Publishing Company Limited of Montreal; and *Western Homes and Living*, published by Mitchell Press Limited of Vancouver. Others include the *Canadian Motorist*, a house organ published by the Ontario Motor League, and *Northwest Digest*, published by Northwest Digest Limited.

SPECIAL-INTEREST

This group includes a great number of magazines, most with smaller circulations, which are aimed at people with a special interest in common—be it a hobby, avocation, or membership in an economic or social group.

In determining the health of the Canadian periodical press, three measurements of growth may be used: births, deaths, and mergers; advertising revenues; and circulation.

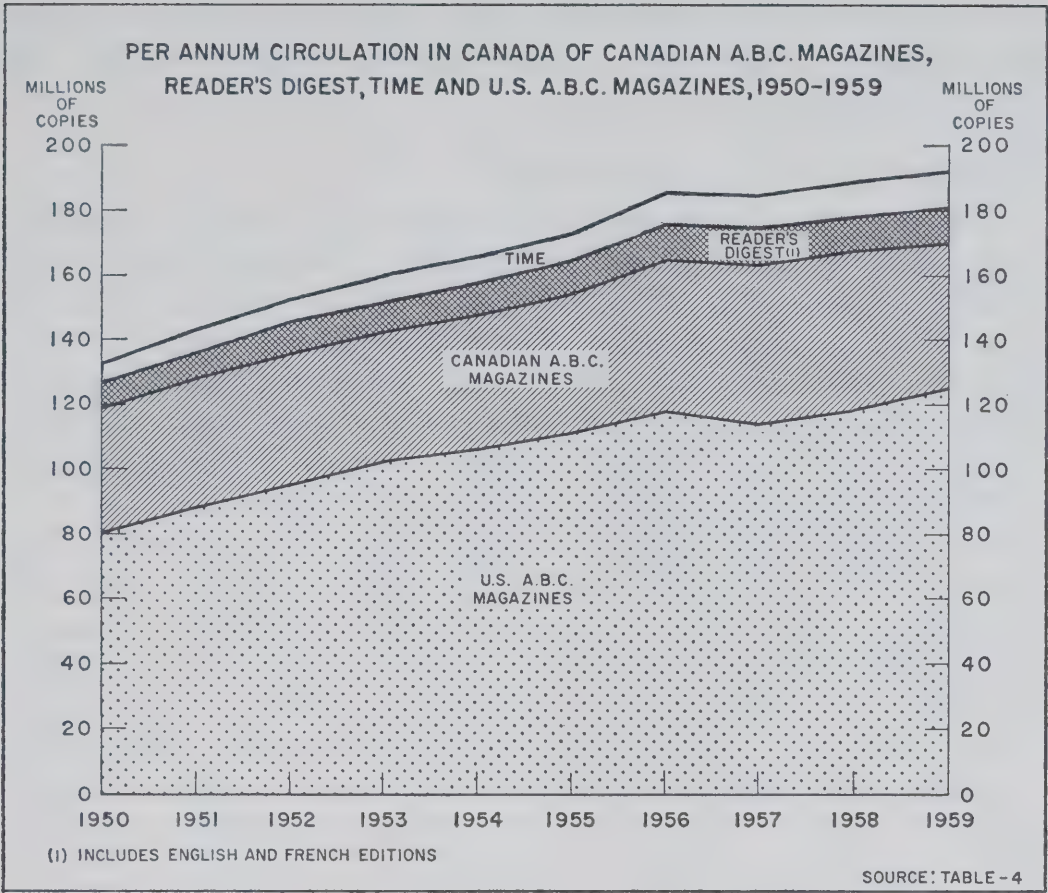
GROWTH YARDSTICKS—BIRTHS AND DEATHS

Births and deaths of magazines are a general indication of the profit—or lack of it—in the magazine-publishing field. The following table shows how Canadian consumer-magazine publishing has declined in the last few decades.

Decade	Started	Discontinued or Absorbed
1920-29	96 ¹	23
1930-39	72	65
1940-49	87	70
1950-59	30	50
1960-	2	3

Some periodicals had short lives—for example, the *Canadian Mercury* and *20th Century* both lasted less than ten years. A good many other publications appealed only to highly-specialized audiences. Most significant, perhaps, was the death, without replacement, of three large and long-established general-interest consumer magazines. *The Canadian Magazine* ceased with the April issue of 1939; its average net paid circulation for the six months to December 31, 1938, was 137,032, according to the Audit Bureau of Circulations.² *The National Home Monthly* succumbed in November 1950, although its ABC average net paid circulation for the six months ending December 31, 1950, was

¹ Or in existence.
² The Audit Bureau of Circulations, or ABC, is a co-operative organization of publishers, advertisers, and advertising agencies which audits the circulations of member-publications. It works to avoid a climate of extravagant claims and counter-claims for circulations by publishers.



317,853. *The Canadian Home Journal*, which suspended publication with the June, 1958, issue, had an ABC average net paid circulation for the six months ending June 30, 1958, of 521,854. The trend toward fewer magazines, and especially the disappearance of established periodicals without replacement in the field by others, is significant.

GROWTH YARDSTICKS—ADVERTISING REVENUES

A magazine depends on advertising revenues for most of its income. It is in the advertising revenue field that the effect of the 'Canadian' editions of *Time* and *Reader's Digest* becomes apparent. The following table shows how the leading Canadian consumer magazines' share shrank in comparison from 1950 to 1959.

	Total Advertising Expenditures (est.) Inc. Radio, TV etc.	All Canadian Magazines ¹ (gross)	Leading Canadian Consumer Magazines ² (gross)	Time (gross)	Reader's Digest (gross)
1950—Dollars	233,997,000	10,874,000	7,089,000	1,177,000	1,558,000
1958—Dollars	503,891,000	21,366,000	11,150,000	3,622,000	4,582,000
% Increase	115.3	96.5	57.3	207.7	194.1

¹ Including *Time* and *Reader's Digest*.
² "Leading Canadian Consumer Magazines" includes *Canadian Homes*, *Chatelaine*, *Liberty*, *Maclean's*, *La Revue Moderne*, *La Revue Populaire*, *Le Samedi*, *Saturday Night*, *Mayfair*, and the *Canadian Home Journal*.

In 1959, over 40 cents of every dollar spent on consumer magazine advertising in Canada went to the 'Canadian' editions of *Time* and *Reader's Digest*.

GROWTH YARDSTICKS—CIRCULATION

Circulation does not provide a large share of a magazine's revenues, but it is an indication of public acceptance. Circulation refers to the number of copies distributed; but each copy of a magazine is usually read by more than one person. The second Canadian Consumer Publications Report, published in September, 1957, by Gruneau Research Limited, indicated that *Maclean's* had 3.4 readers per copy; *Chatelaine* had 2.8; *Weekend* had 2.7; but that *Reader's Digest* (English and French editions combined) had 3.6; and that *Time* was highest with 5.5.

The circulation of Canadian magazines has not grown at the same rate as that of competing foreign publications, at least for the last decade. In 1950, Canadian ABC-audited magazines circulated 38,133,000 copies per annum—28.8 per cent of a total of 132,540,000 circulated in Canada. By 1959, of a total of 192,479,000 magazines circulated, only 44,911,000, or 23.3 per cent were Canadian. United States overflow publications, and *Time* and *Reader's Digest*, however, recorded gains. In 1950, U.S. overflow amounted to 80,382,000 copies per annum, or 60.6 per cent of all magazines circulated in Canada, but by 1959 this had risen to 124,997,000, or 64.9 per cent. *Time* in 1950 circulated 6,182,000 copies per annum (4.7 per cent); in 1959 this was 10,946,000 (5.7 per cent). *Reader's Digest* circulated 7,843,000 copies per annum in 1950 and 11,625,000 in 1959; the percentages were 5.9 and 6.0 respectively.

Canadian magazines accounted for less than one-quarter of the total magazine sales in this country in 1959.

OTHER TRENDS

Two other trends also point to an unhealthy situation. Smaller publishing companies are finding it more and more difficult to continue consumer-magazine operations. As a result, *Maclean-Hunter* has become increasingly pre-eminent.

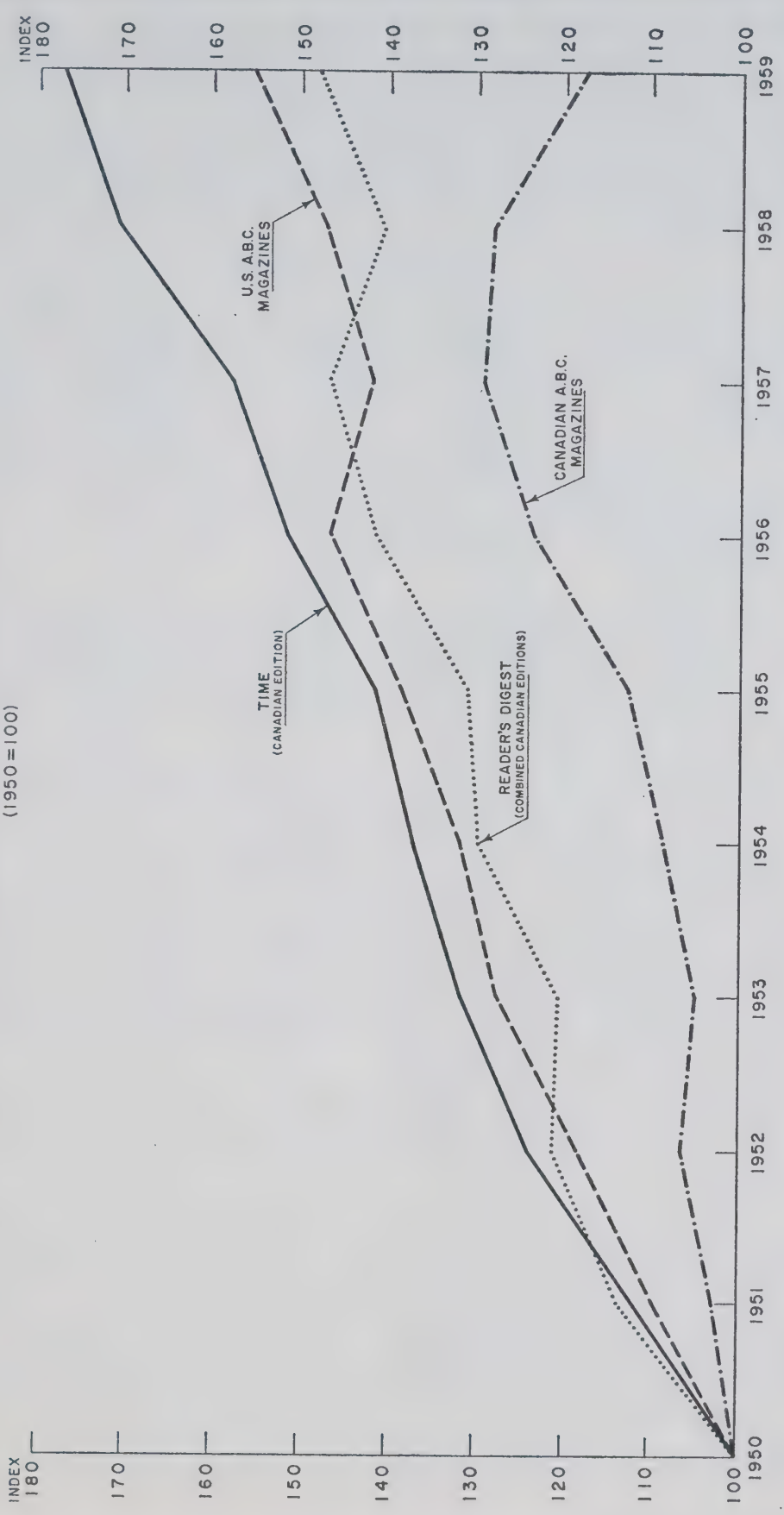
Gross Advertising Revenues

	1950	1959
<i>Canadian Homes</i>	\$ 384,575	\$ 731,001
<i>Chatelaine</i>	1,336,970	4,375,850
<i>Maclean's</i>	2,061,942	4,496,956
<i>Mayfair</i>	218,206	—
Total, <i>Maclean-Hunter</i>	4,001,693	9,603,807
Total, Leading Canadian Consumer Magazines	7,089,495	12,306,807
<i>Maclean-Hunter</i> Share of Total	56.4%	78% ¹

¹ Not including the 'Canadian' editions of *Time* or *Reader's Digest*.

INDEX OF PER ANNUM CIRCULATION OF CANADIAN AND U.S. A.B.C. MAGAZINES IN CANADA, 1950-1959

(1950 = 100)



SOURCE: TABLE 4

In 1950, the four Maclean-Hunter consumer magazines, *Maclean's*, *Chatelaine*, *Canadian Homes*, and *Mayfair*, circulated 45.7 per cent of the total circulation per annum of all leading Canadian consumer magazines. By 1959 the Maclean-Hunter share had risen to 62.4 per cent. The four Maclean-Hunter magazines' total advertising revenues in 1950 represented 56.4 per cent of the total spent in all the leading Canadian consumer publications; by 1959 the Maclean-Hunter share had reached 78 per cent.¹

	Circulation in Canada			
	Per Issue		Per Annum	
	1950	1959	1950	1959
<i>Canadian Homes</i>	51,000	128,000	616,000	1,541,000
<i>Chatelaine</i>	374,000	731,000	4,492,000	8,770,000
<i>Maclean's</i>	404,000	489,000	9,698,000	12,702,000
<i>Mayfair</i>	16,000	—	192,000	—
Total, Maclean-Hunter	845,000	1,348,000	14,998,000	23,013,000
Total, Leading Canadian Consumer Magazines	1,913,000	2,292,000	32,793,000	36,852,000
Maclean-Hunter Share of Total	44.2%	58.8%	45.7%	62.4%

The second trend arises from the first. It is the increasing dependency of Canadian consumer magazines upon virtual subsidization by the profitable business-paper activities of multiple publishers.

GENERAL ENGLISH-LANGUAGE

The present situation

Maclean's was first a monthly, then a twice-a-month publication, but now appears fortnightly. It began in October, 1905, when Colonel John Bayne Maclean took over a small house organ known as *The Business Magazine* and converted it into a general publication called the *Busy Man's Magazine*. Six years later, its name was changed to *Maclean's Magazine*. *Maclean's*, aimed at the broad audience, has taken over portions of the circulations of magazines which were forced to discontinue publication, the most notable being *The Canadian Magazine* and the *National Home Monthly*.

Chatelaine, a monthly women's magazine, was founded under that title in 1928. In 1958 it acquired the circulation of *Canadian Home Journal*.

Liberty began as the Canadian issue of a United States publication of the same name, published by Bernarr Macfadden. The Canadian issue was sold after the American ceased publication. *Liberty's* name was changed to *New Liberty* with the March, 1948 issue, when *New World Illustrated* was consolidated with it. At that time, the frequency was also changed from weekly to monthly. In 1954, it again became *Liberty*.

Financially, *Maclean's* and *Chatelaine* have had good and bad periods.

¹ Not including the 'Canadian' editions of *Time* or *Reader's Digest*.

Liberty has been making a small profit, but not enough to offset the losses recorded by *Saturday Night*, the other Consolidated Press magazine. In 1958, Consolidated Press sold its business papers, and discontinued publication of the *Canadian Home Journal* and *Farmer's Magazine*, all of which had been unprofitable. The *Liberty-Saturday Night* combination still operates at a loss. The "subsidy" comes from Consolidated Frybrook Industries Limited, the parent company of Consolidated Press, and is made possible by virtue of Frybrook's other, profitable business enterprises.

Chatelaine, *Maclean's* and *Liberty* face mounting competition from *Weekend*, which has grown tremendously in the last decade. Moreover, television has undoubtedly diverted many advertising dollars away from consumer magazines.

The record of advertising revenues of Canadian magazines shows that, in the main, they have not kept pace with foreign competition.

Gross Advertising Revenues

	1950 \$	1959 \$	% increase
<i>Chatelaine</i>	1,336,970	4,375,850	227.3 ¹
<i>Liberty</i>	694,582	1,383,629	99.2
<i>Maclean's</i>	2,061,942	4,496,956	118.1
<i>Time</i>	1,176,687	3,946,774	235.4
<i>Reader's Digest</i>	1,557,612	4,616,353	196.4

Circulation figures, too, show that foreign competition is forging ahead.

Circulation in Canada

	Per Issue			Per Annum		
	1950	1959	% increase	1950	1959	% increase
<i>Chatelaine</i>	374,000	731,000	95.5	4,492,000	8,770,000	95.2 ¹
<i>Liberty</i>	411,000	585,000	42.3	4,934,000	7,023,000	42.3
<i>Maclean's</i>	404,000	489,000	21.0	9,698,000	12,702,000	31.0
<i>Reader's Digest</i>	654,000	969,000	48.2	7,843,000	11,625,000	48.2
<i>Time</i>	119,000	210,000	76.5	6,182,000	10,946,000	77.1

Figures for per annum circulation provide the best measurement of a magazine's impact, but are not a perfect indication of the relative positions of magazines, since frequencies of issue differ.

GENERAL FRENCH-LANGUAGE

Le Samedi and *La Revue Populaire*, both published by Poirier, Bessette & Cie. Ltée., are designed to appeal to the urban Quebec reader. *Le Samedi*, founded in 1882, was a general-interest weekly until March, 1959, when it became a fortnightly. *La Revue Populaire*, a monthly, was founded in 1908, and is directed at women.

¹ In 1958 *Chatelaine* absorbed the circulation of *Canadian Home Journal*, which had a circulation of 358,000 in 1950, and 500,000 in 1957, shortly before its demise.

The Maclean-Hunter publications, *Le Magazine Maclean* and *Chate-laine—La Revue Moderne*, are monthlies. *Le Magazine Maclean*, a general-interest publication, began with the March, 1961 issue; *Chate-laine—La Revue Moderne*, for women, first appeared in October, 1960.

French-language magazines are, in general, more protected by the language from United States overflow than are English-language publi-cations. There is, of course, the competition from imports from France.

La Revue Populaire and *Le Samedi* have probably been hurt by the “combined rate” on advertising offered by *Reader’s Digest* and *Sélection du Reader’s Digest*. This combined rate is a saving to the advertiser of up to \$900 on a four-colour page when bought concurrently in both the English and French editions. The competitive resources available to *La Revue Populaire* and *Le Samedi* are much less than those avail-able to newcomers in the field. Maclean-Hunter and *Weekend* also offer combined rates on advertising, but the saving is much less.

The present situation in the French-language press is indicated by the following table:

Gross Advertising Revenues

	1950	1959	Rate of increase or decrease
	\$	\$	%
<i>La Revue Populaire</i>	223,518	273,274	22.2
<i>Le Samedi</i> *	229,503	192,705	—19.1
<i>Reader’s Digest</i>			
—English only	65,043	246,010	278.2
—French only	26,788	139,795	421.9
—Combined	1,465,781	4,230,548	188.6
—Total	1,557,612	4,616,353	196.4

Circulation

	Per Issue			Per Annum		
	1950	1959	Rate of Increase or Decrease %	1950	1959	Rate of Increase or Decrease %
<i>La Revue Populaire</i>	74,000	104,000	40.5	885,000	1,251,000	41.4
<i>Le Samedi</i> *	70,000	78,000	11.4	3,661,000	2,329,000	—36.4
<i>Sélection du Reader’s Digest</i>	120,000	190,000	58.3	1,435,000	2,285,000	59.2

REGIONAL-INTEREST

The Atlantic Advocate is a monthly general-interest magazine which incorporates the *Maritime Advocate* (established in 1910 as *The Busy*

* Changed from monthly to fortnightly, March, 1959.

East), and *The Atlantic Guardian*, which had been published in Newfoundland. *The Atlantic Advocate* is primarily directed at the readers in the four Atlantic provinces.

The Montrealer is a monthly designed to attract sophisticated readers, and was established in 1926. In April, 1960, it was acquired by the Wallace Publishing Company Limited when it purchased the Passing Show Publishing Company.

Western Homes and Living, published by Mitchell Press Limited, Vancouver, is a monthly "shelter" magazine.

None of the three is profitable; all depend for their existence on the other publishing activities of the owners.

SPECIAL-INTEREST

Saturday Night, now a fortnightly published by Consolidated Press, was founded in 1887, and was a weekly until May 14, 1955. It seeks a "quality" audience without the resources necessary for the provision of material competitive with that in American "quality" magazines aimed at a similar audience. *Saturday Night* also has been faced with severe competition from *Time*'s 'Canadian' edition.

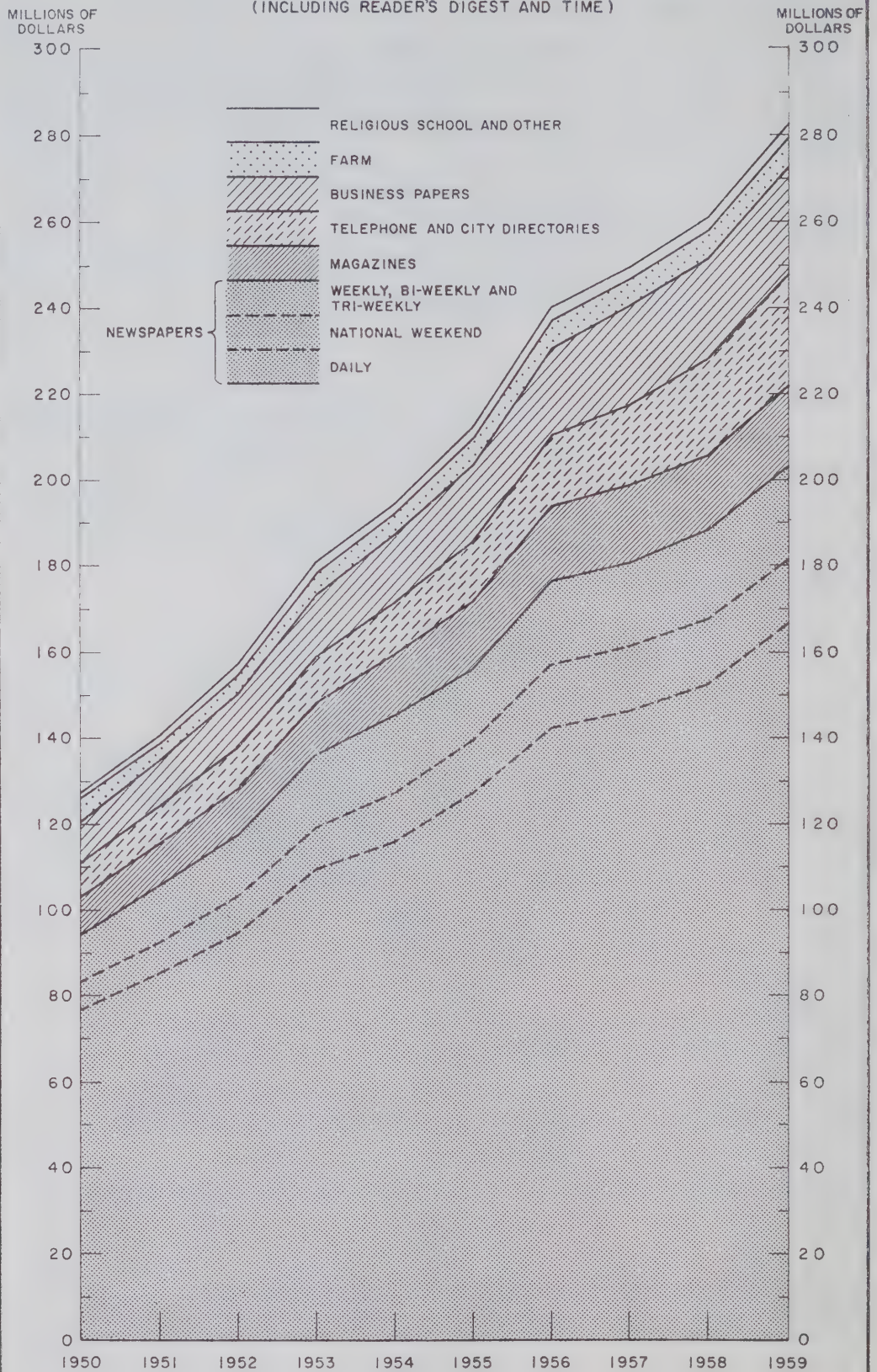
Saturday Night's gross advertising revenues dropped from \$419,568 in 1950 to \$397,393 in 1959, down 5.3 per cent. *Time*, on the other hand, had gross advertising revenues of \$1,176,687 in 1950 and \$3,946,774 in 1959—a gain of 235.4 per cent.

In 1950 *Saturday Night* circulated 2,800,000 copies in the year as a weekly, but only 1,999,000 in 1959, down 23.6 per cent. Per issue circulation figures show that the magazine gained 37 per cent from 1950, (54,000 copies) to 1959 (74,000 copies). *Time*, however, boosted its circulation at a faster rate: in 1950 it circulated 6,182,000 copies per annum, but in 1959 this had grown to 10,946,000, a 77.1 per cent gain.

Canadian Homes, Maclean-Hunter's monthly "shelter" magazine, was founded in 1924 by Rupert Davies, and was bought the next year by its present owners. It acquired the subscription list of *Your House and Garden* in 1951 when that magazine suspended publication. Early in 1960, its name was changed from *Canadian Homes and Gardens* to *Canadian Homes*. *Canadian Homes* is definitely directed to homemakers in the upper-middle and middle-income brackets who are interested in architecture, landscaping, and interior decoration. Canada's sparse population means that this magazine's potential audience is small. Yet *Canadian Homes* seeks to compete with the lavish "shelter" magazines overflowing from the United States, where a bigger population (and,

NET ADVERTISING REVENUE OF CANADIAN PRINT MEDIA BY TYPE, 1950-1959

(INCLUDING READER'S DIGEST AND TIME)



SOURCE: TABLE -19

consequently, a bigger potential market) awaits publishers and advertisers. Some American “shelter” magazines have higher circulations in Canada than has *Canadian Homes*.

Among other special-interest magazines are *Health*, the bi-monthly official organ of the Health League of Canada; *The Legionary*, published since 1917 by the Canadian Legion; the *Canadian Jewish Review*, a weekly established in 1921; *Rod and Gun in Canada*, a monthly appealing to the hunter, fisherman, camper, and outdoorsman; and *Canada Track and Traffic*.

DISTRIBUTION

Magazines are distributed by mail and newsstands. Distribution to newsstands is usually in three stages: copies are sold by the *national distributor* to the *wholesale distributor* in a particular area, who in turn sells them to the *retailer*.

The main national distributors operating in Canada are the Curtis Distributing Company of Canada, Limited; Select Magazines Inc.; and Fawcett Publications, Inc. All are American-owned. Curtis distributes all three Maclean-Hunter English-language consumer magazines.

These national distributors, together with a few smaller operations, sell to 54 Canadian wholesalers—usually one to a geographic area—who employ over 1,300 workers and serve approximately 17,800 retail dealers. Gross sales by wholesale distributors in 1959 amounted to \$36,596,307; of this, \$4,976,837 was from Canadian magazines.

In addition, there are several national distributors of British and European publications. None has a big share of the Canadian business.

SUMMARY

Canadian consumer publications, as shown statistically, have not been growing at the same rate as either their foreign competition or advertising media generally. Overflow adversely affects our magazines' circulations; by-product publishing affects their advertising revenues also. Their position has been impaired by television, now a major advertising medium, and by the success of the weekend publications.

ADVERTISING REVENUES

In 1950, net advertising revenues for Canadian consumer magazines (including *Time* and *Reader's Digest*) and the revenues for Canadian business papers were almost the same—\$9,058,000 for the former and \$9,704,000 for the latter. By 1958, however, consumer magazines had increased their advertising revenues to \$17,798,000, a 96.5 per cent gain, but business papers garnered \$23,383,000, a jump of 141 per cent.

**Canadian
Business
Papers**

FOREIGN COMPETITION

Canada's business papers, as evidenced by advertising revenues, have been growing and should be in a healthy state. But United States business papers are beginning to offer split runs, and there are already a few 'Canadian' editions. Canadian business paper publishers fear that other American competitors will also enter this lucrative sphere with forms of by-product publishing. The per annum circulation of United States business papers in Canada rose 309 per cent between 1950 and 1959, while Canadian business papers rose only 88 per cent.

II

THE PROBLEM

Today the revenue obtained from the reader's subscription to a magazine often is insufficient to cover the publisher's cost of obtaining that subscription. No Canadian magazine of any sizeable circulation looks to advertising for less than half its total revenues. The majority derive around 75 per cent of their income from this source, and a few close to 90 per cent.

Thus the "reader" is in himself a product to be sold for the best possible price to the largest number of customers (this is a peculiarity of the industry—the same product can be sold over and over again to different customers) and so there arises the problem of evaluating this "product".

Two major criteria have been established for this: Quantity and Quality.

The yardstick for measuring Quantity is a simple one. It is not sufficient for a magazine publisher to demonstrate to a potential advertiser that his circulation is so many tens of thousands, hundreds of thousands, or millions. The publisher must also show that he can "deliver" this audience for the advertiser's message at a lower cost than can his competition. This is calculated by an elementary formula—the cost of a full page advertisement divided by the number of thousands of circulation to provide the cost-per-page-per-thousand-readers, often referred to as "the cost-per-thousand" or symbolized by "c/1,000".

Measurement of Quality, generally by using various forms of reader-ship surveys, is more difficult. It must indicate the superior purchasing power of the reader—among the qualities most sought after are high incomes, property holdings, university degrees and positions of influence.

QUANTITY AND QUALITY

In measuring magazine audience, it is generally recognized that the larger the quantity of circulation the lower its average quality and, conversely, the higher the quality insisted upon, the smaller the potential

quantity. Furthermore, advertisers place differing emphases on quantity versus quality, depending upon the type of product they are selling. On the one hand there is the mass-appeal product, for which a mass audience is essential; on the other is the high-cost or special-appeal product where one prosperous prospect is worth a dozen "quantity" readers.

No magazine has the perfect group of readers for every product. So magazines vie with each other to prove how near perfection their circulation has come. Where either quantity or quality is the supreme consideration the advertiser has little difficulty in selecting the media that will carry his message. It is in the middle area, where some balance has to be struck between the two requirements, that problems arise.

Will a large circulation or a smaller influential one bring the publisher the most profit? Should his editorial content be aimed at the lowest common denominator or should its appeal be restricted to the upper intelligence and income brackets? Which will attract the most revenue, without itself costing too much to attract and maintain? Each choice has its limitations.

QUALITY LIMITATIONS

While the quality circulation doesn't have to be anywhere nearly as large as that seeking mass-appeal advertising, its acquisition can prove a costly operation—there are examples of upper-income bracket circulations which cost half-as-much again to acquire and maintain as the circulation revenues they bring in. This is due, in part, to the number of potential upper-income readers being relatively small.

QUANTITY LIMITATIONS

A publisher who decides to procure quantity must obtain the largest possible circulation and be in a position to offer it to the advertiser at the lowest possible cost-per-thousand-rate. The struggle for circulation supremacy is severe.

THE PUBLISHING SPIRAL

Behind all this is an important spiralling action, fundamental to periodical publishing: the larger a periodical's circulation the more advertising it can attract; the greater its advertising revenue, the more it can afford to spend on editorial content; the more it can spend on editorial the better are its chances of obtaining more circulation.

When a magazine strives too hard for circulation, costs increase by a frightening arithmetical progression, with each additional 1,000 new subscribers costing much more than the last.

THE ADVERTISING AGENCIES

Perhaps the most powerful single influence in an advertiser's selection of media is the recommendation of his advertising agency. The agency

is the specialist and its advice extends not only to whether magazines should be used in preference to newspapers, or television in preference to either, but also as to whether one magazine should be used rather than another. Consequently, magazines, in common with other media, devote much time and effort to persuading advertising agencies of the merits of the audience their publications command.

Originally, an advertising agent was one who bought an amount of space from a publisher at a discount and resold it to advertisers at a higher rate. This method of remuneration has continued but the advertising agent is now and has been for many years the agent of the advertiser, not the publisher. The method of remuneration whereby the seller (the publisher) of the service rather than the buyer (the advertiser) pays the agent is unusual in the business world and may be unique. There was evidence that advertising agents are paid by clients for services additional to the normal functions of agencies but it is a fact that the bulk of their revenues still is derived by way of commission or discount.

PRODUCTION COSTS

In view of the fact that engravers, typesetters, printers and others concerned with advertising give the same discount as the publications, there is no incentive for an agency to try to reduce the cost of preparation. The Commission was assured, however, that efforts are constantly being made to reduce this cost.

Preparation of original advertising in Canada, including art work, drawings, engravings, electrotypes and typesetting, forms a substantial proportion of the total of advertising costs. This is inevitable when the number of publications to be used is relatively small. Preparation of advertising in Canada probably runs to about 20 per cent of the total outlay. In the United States it is probably not more than 5 per cent. For example: *Time* in the United States has a circulation of 2,519,000 per week and charges \$21,450 per four-colour page. The 'Canadian' edition of *Time* is 226,500 and the price per four-colour page of advertising for it alone is \$3,030 per page. As the cost of preparation of a page advertisement is approximately the same in both countries, the Canadian preparation charges, as a percentage of the space charges, are much higher. ✓

The future of Canadian periodicals depends in great degree on the proportion of the advertising dollar which actually reaches the publication; for this reason the Commission felt it must look carefully into advertising agency operations and into other costs.

It is traditional for the advertising agencies to be remunerated through discount from publishers, printers, etc.

The example of a small advertising account is illuminating. If the advertiser is spending \$100,000 a year, a 20 per cent preparation charge would leave \$80,000 a year expenditure on space. The agency would normally receive 15 per cent of the \$80,000 plus a 2 per cent cash discount, or a total of \$13,600. Thus, of the \$100,000 the advertiser spends, there would actually reach the publishers \$66,400 or only two-thirds of the appropriation.

An advertising agency performs a number of functions which include making the contracts with the publication, issuing the insertion orders, checking the publication in order to make sure that the advertising was inserted as instructed. It is clear, therefore, that it costs an agency more to administer a large number of small contracts than it does to attend to a small number of large contracts. This is the basis of some of the problems of the small publications. If, for example, all of an advertising campaign were in only three magazines, the agency's cost of operating that account, at least on the administrative side, would be much less than if the same amount of money were spread over some hundreds of small publications. In the one case there would be only three contracts, three insertion orders to be sent out, three publications to be checked as to fulfilment of contract, and only three cheques to be issued for payment of the space and circulation delivered. The net profit to any agency in such an account would clearly be greater than in an account involving, at the other extreme, several hundred of these operations.

It is not argued here that it is better to advertise in a great number of small publications than in a few large publications. Nor is it asserted that the number of publications to be used is a deciding factor in the recommendation of the advertising agency to his client. Advertising agents are, however, like other business people in that they must have regard to net profit in their operations. The degree of disinterestedness will vary, but only an impractical person can be so disinterested as to disregard the factor of net profit. The counselling of advertisers by agencies is thus affected in varying degree by the profit interest of the agencies.

Advertising agencies undoubtedly have a great influence on the placing of advertising by advertisers. The representatives of both the agencies and the advertisers intimated that the advertiser has an equal voice in the decision as to what publications are to be used in any advertising campaign. But the interests of the advertiser and the agent, as suggested above, are not invariably the same and there must be occasions when the client-advertiser exercises his authority. On the other hand, the agency is often viewed by the advertiser as an expert whose advice

should be followed. This would be particularly true among relatively small advertisers without well-organized advertising departments.

It would seem unlikely that Canadian advertisers or agencies look on advertising activities as a matter affecting national interest or that they consider the implications of placing advertising in foreign periodicals distributed in Canada. The agency representative informed the Commission that the "motivation" of the agency business is to place advertising to help move goods and services. This implies that an increase in the movement of goods and services would be in the national interest regardless of how and where the advertising was done. Evidence that advertising placement is not in every case decided at the highest levels is shown in the Government itself, for there has been substantial departmental and Crown corporation advertising in the two largest 'Canadian' editions of United States magazines. There has been at least one Canadian advertisement in a foreign magazine admonishing readers to be sure to "Buy Canadian".

There may be some reluctance on the part of the smaller Canadian periodicals to seek advertising other than through the advertising agencies. There is no doubt that there are scores, perhaps hundreds, of small publications that have been without the co-operation of advertising agencies, even though their publications have, at least in their view, merits beyond what may appeal to a buyer of space in an advertising agency. The largest and most successful Canadian periodical publisher, on being asked about this, said that his people had always been instructed to sell at all levels: the agency, the advertising manager of a company, the general manager, and the president, if necessary. This is a breadth of approach which, if it could be followed by others, might promote the welfare of smaller Canadian publications.

Most Canadian magazines have complained to the Commission that they are threatened with extinction because of inequitable competition, in circulation, as well as in advertising.

Allegations of Inequitable Competition

CIRCULATION

The flood of magazines from the United States certainly makes Canadian circulation efforts a costly process. The newsstands are dominated by American publications which, with their greater bulk and more expensive appearance, overpower as well as outnumber the native product.

Further, the cost of obtaining circulation by subscription is substantially increased for the Canadian magazine which, through its direct mail letters, must compete with the millions of such letters from United States magazines, for the attention and dollars of its potential or expired

subscribers. Canadian magazines complain, too, that they have to embark upon a variety of other costly circulation procurement operations, such as creating field subscription selling forces, to combat similar moves by United States magazines and their agents.

Canadian publishers also claimed that their United States counterparts enjoy more advantageous postal rates into Canada than even to some parts of their own country. These resulted largely from the system of postal zones used in the United States. This advantage seems to have been eliminated by rate increases recently announced by the United States Post Office.

The Canadian Post Office offers American publishers a rate higher than that for Canadian publications but lower than that applying in the United States. This "mailing in Canada privilege" is solely a device for obtaining some revenue from the heavy flow of second class mail into Canada from the United States. It is an inducement to get the United States publisher to ship his magazines into Canada and mail them here, thus making his payment to the Canadian rather than the United States Post Office.

It is difficult to see serious inequality in this case.

ADVERTISING REVENUE

Canadian publishers say that the competition for advertising is at two levels.

First, the total potential advertising revenue available to magazines in Canada is restricted by overflow circulation into this country of United States magazines. This circulation may lead United States companies with branches or subsidiaries in Canada to restrict their advertising in Canadian magazines. There is further concern over the apparent trends towards split runs, regional editions, etc.

Second, a most serious diminution of Canadian publications' advertising revenue is caused by the sale of space in the so-called Canadian editions, such as *Time* and *Reader's Digest*.

These two publications have substantial advantages in that their editorial material is largely prepared for their home editions and the extra cost for "Canadian" editions is minimal. This editorial "dumping" is an important competitive factor, in both advertising and circulation, for the Canadians to overcome. It is so obvious that it is not necessary to try to measure it.

Three out of every four magazines read by Canadians are imported from the United States. In 1959, Canadians read some 147 million copies of United States magazines, or 'Canadian' editions, compared to 45 million copies of Canadian magazines. There are at least 500 (and perhaps 800) different United States magazines coming into this country.

**Overflow
Circulation**

Distribution of about 40 per cent of the magazines sold on Canadian newsstands is controlled by two United States companies, Curtis Publishing Company (which publishes *Saturday Evening Post* and *Ladies' Home Journal* among others) and Select Magazines, a consortium of five United States magazine publishers, including *Time* and *Reader's Digest*. The 40 per cent includes many of the large-circulation magazines. The Maclean-Hunter Publishing Company Limited, formerly operated its own Canada-wide distribution system for its publications but (since 1958) these have been distributed under contract by the Canadian subsidiary of the Curtis Publishing Company.

The small newcomer in the magazine field finds it very difficult to obtain newsstand distribution. It is not easy for such newcomers to sell subscriptions by direct mail when single copies are not publicly available.

The cover price of Canadian magazines is affected by United States competition. The Canadian prices are lower but there is a much thinner magazine to offer. Calculated on a per-page basis, their cover price is not out of line with those of United States magazines.

NEWSSTANDS

It is impossible for any newsstand dealer to provide space for all of the 500 to 800 different magazines available to him. Naturally, he tends to have a preference for the established high-circulation magazine.

Established magazines with a specialized appeal also find it difficult to obtain newsstand distribution in any but the larger centres of population and then only in certain locations.

There are certain advantages to single copy sales:

Revenue-per-copy is greater to the publisher from newsstand sales, while subscription sales, especially those at cut-rates, often cost more to obtain than the revenue they produce.

Advertisers and advertising agencies may attach more value to newsstand than to subscription sales. They consider the former a freely-made sale, at full cover price, made on a week-by-week basis, whereas a subscription sale is often at cut rates, with other inducements thrown in. The subscriber also may lose interest in the magazine and perhaps not bother to read it. Long-term subscriptions can cover up a deterioration of editorial appeal, while this becomes evident very quickly on the newsstand.

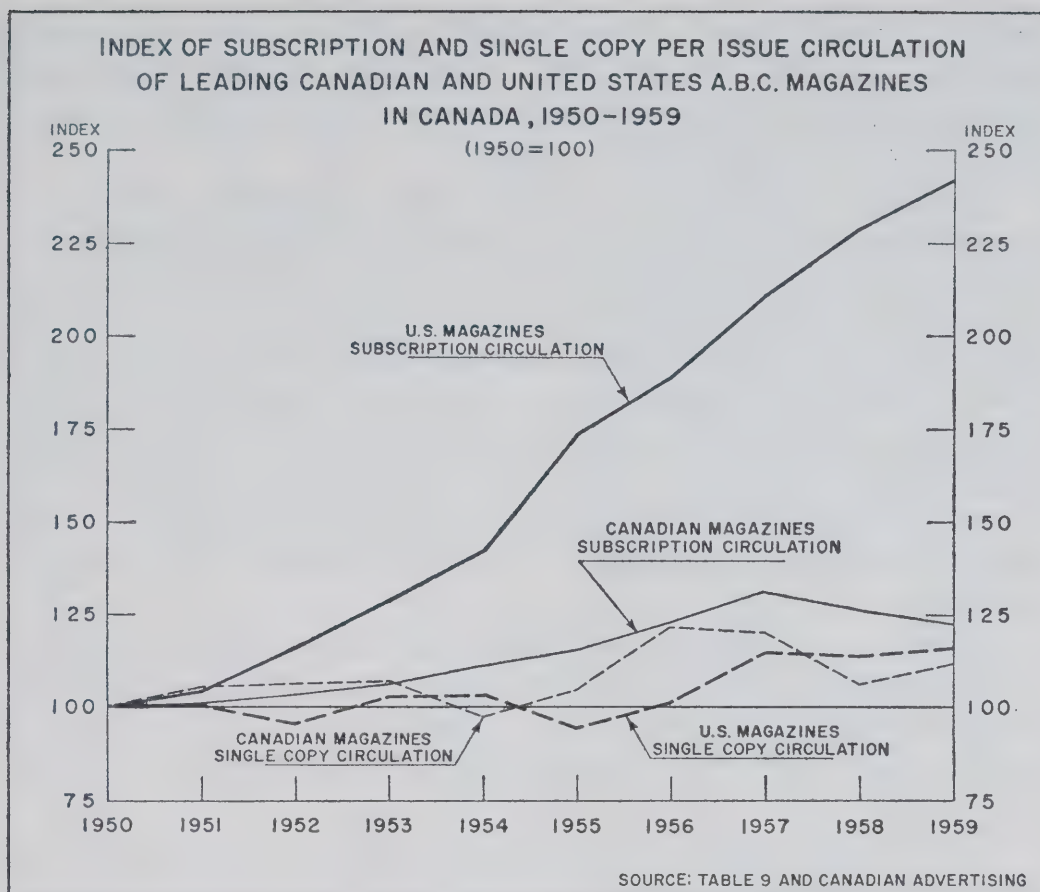
The major Canadian magazines derive only 10 per cent to 25 per cent of their sales through newsstands while the corresponding figure for major United States magazines is 49 per cent of those sold in Canada. There is good reason for this—Canadian magazines do not receive comparable exposure on newsstands. As a result, they have had to resort to cut-rate subscription methods in order to counter-balance the better appearance and editorial quality of their more prosperous United States counterparts.

SUBSCRIPTIONS

The dependence of Canadian magazine publishers upon subscription sales is not of their own choosing. Their efforts at circulation through such means have been made more costly than would otherwise be necessary, by the pressures of the overflow circulation of United States magazines.

The war for circulation being waged among the largest United States magazines is felt in Canada. Many of them are increasing their circulation promotional activities in Canada.

The November 25, 1960 issue of *Printer's Ink*, (a United States business paper covering the publishing field), reported that *Life* was planning a \$500,000 television program for its 25th anniversary in March, 1961; *Look* magazine spent equivalent sums on TV during the two presidential nomination campaigns and the election-night coverage last year; *Reader's Digest* opened a million-dollar campaign last December, mostly through spot television, aimed at building single-copy sales. While this advertising is mainly over United States television stations, much of it is seen by Canadian viewers along the border.



Of the seven major agencies operating their own "Paid During Service" field sales forces on a full-time basis in Canada, five are directly controlled from the United States, one is partially controlled, and the seventh was recently established by Maclean-Hunter, at considerable cost, in an attempt to counter this competitive force.

NET SUBSCRIPTION REVENUES

The Maclean-Hunter operation has to include United States magazines in its list in order to provide its salesmen with incomes comparable with those offered by the other agencies.

This is a costly sales method, for the publisher sees little, if any, of the money paid for these subscriptions. In many cases, the field salesman receives 50 per cent of the money he collects. His supervisors or employers take most, if not all, of the remainder. There have been instances where the publisher received only 5 per cent to 15 per cent of the subscription money collected and, out of this he had to pay for his own field supervisory organization, as well as for his advertising promotion and the cost of processing the subscription.

There are two or three brief periods of the year, such as the Christmas gift-giving period, when experience has shown subscription offers by mail achieve the best response. Magazine publishers tend to concentrate

their direct-mail efforts in these periods, with the result that potential subscribers are flooded with offers from both Canadian and United States publishers. This severely reduces the Canadian publisher's potential returns per thousand letters mailed.

The direct mail letters used by United States magazine publishers are generally more elaborate than those used by Canadian publishers, this because United States publishers are able to take advantage of the enormous press runs needed to meet their domestic requirements. For the same reasons, they are able to afford the very best creative talent, both in artists and writers, in the preparation of these mailing pieces. They can also carry out exhaustive pre-mailing tests to ascertain the most effective approach to take. Often the quantities of letters sent out in pre-mailing tests by United States publishers are equivalent to the totals contained in the complete direct mail campaign of the Canadian publisher.

In this area the benefits that accrue from a large-scale operation are substantial. They place the Canadian publisher at a definite disadvantage which he counters, and then only to a limited extent, by spending more on this aspect of his overall operation than can be considered economically sound.

United States magazines circulating in Canada, some of them for generations, undoubtedly have an effect on the total of advertising revenue available for Canadian publications. This effect is difficult to calculate.

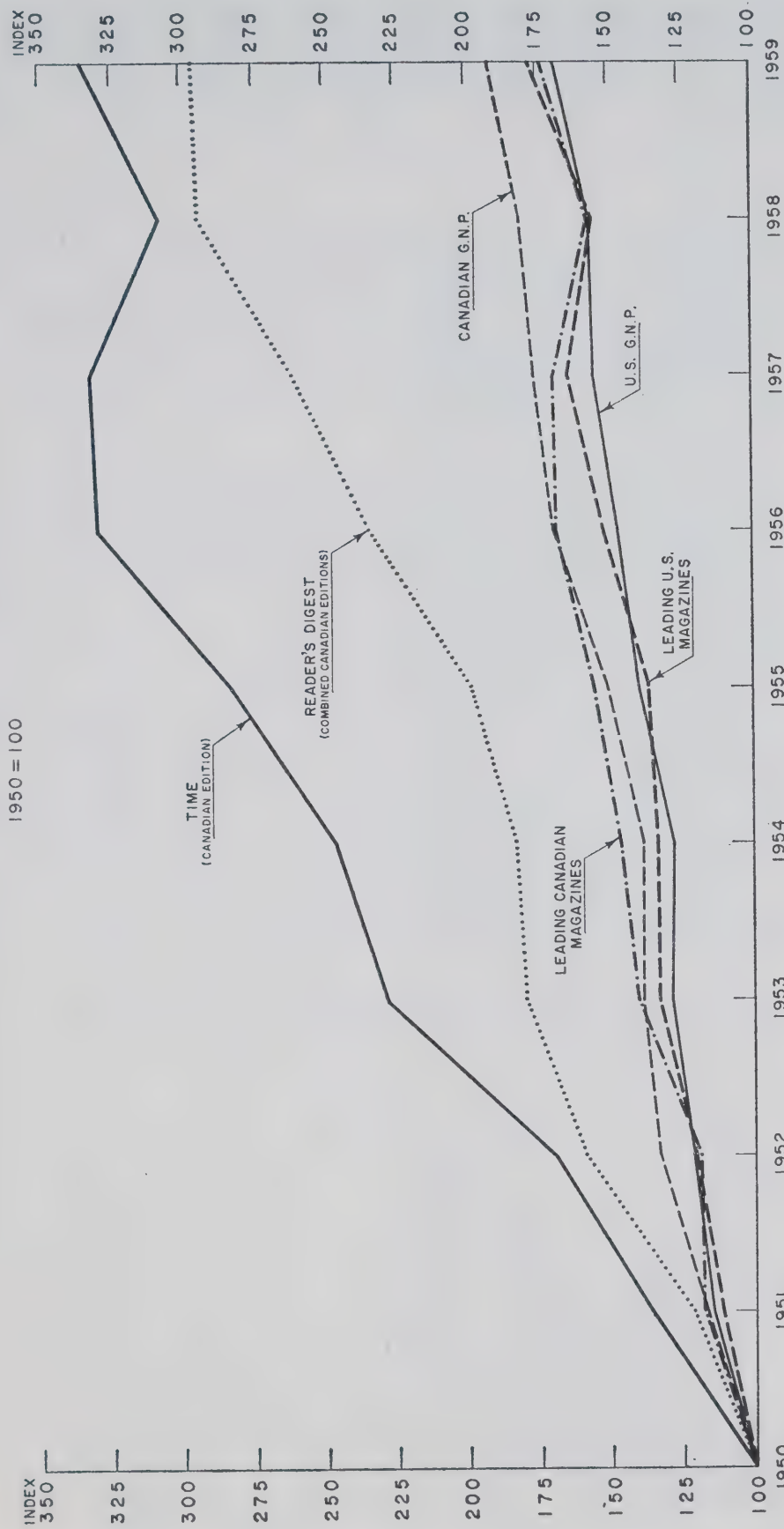
SPLIT RUNS, REGIONAL SECTIONS

Split runs and regional sections are refinements of overflow circulation to make possible the redirection of advertising specifically to the Canadian consumer. There are at present 76 United States magazines, offering split run advertising, and in the case of the 29 United States magazines offering regional editions in 1959, six of them treated Canada as a separate region.

The Commission's view is that split runs are a serious threat, but not a present danger. The *Saturday Evening Post* charges advertisers \$1,550 for having the presses stopped and a split-run advertisement substituted. Spread over this magazine's Canadian circulation, this amounts to a surcharge of \$5.85 per thousand readers and, as the advertiser has already paid a cost-per-thousand of \$6.81 for this circulation, his total for a split-run advertisement to Canadian readers would amount to \$12.66 per thousand, far more than the cost of running the advertisement in a Canadian magazine.

If, as seems likely, the practice becomes widespread the split-run surcharge will be reduced, because it costs little more to stop the printing

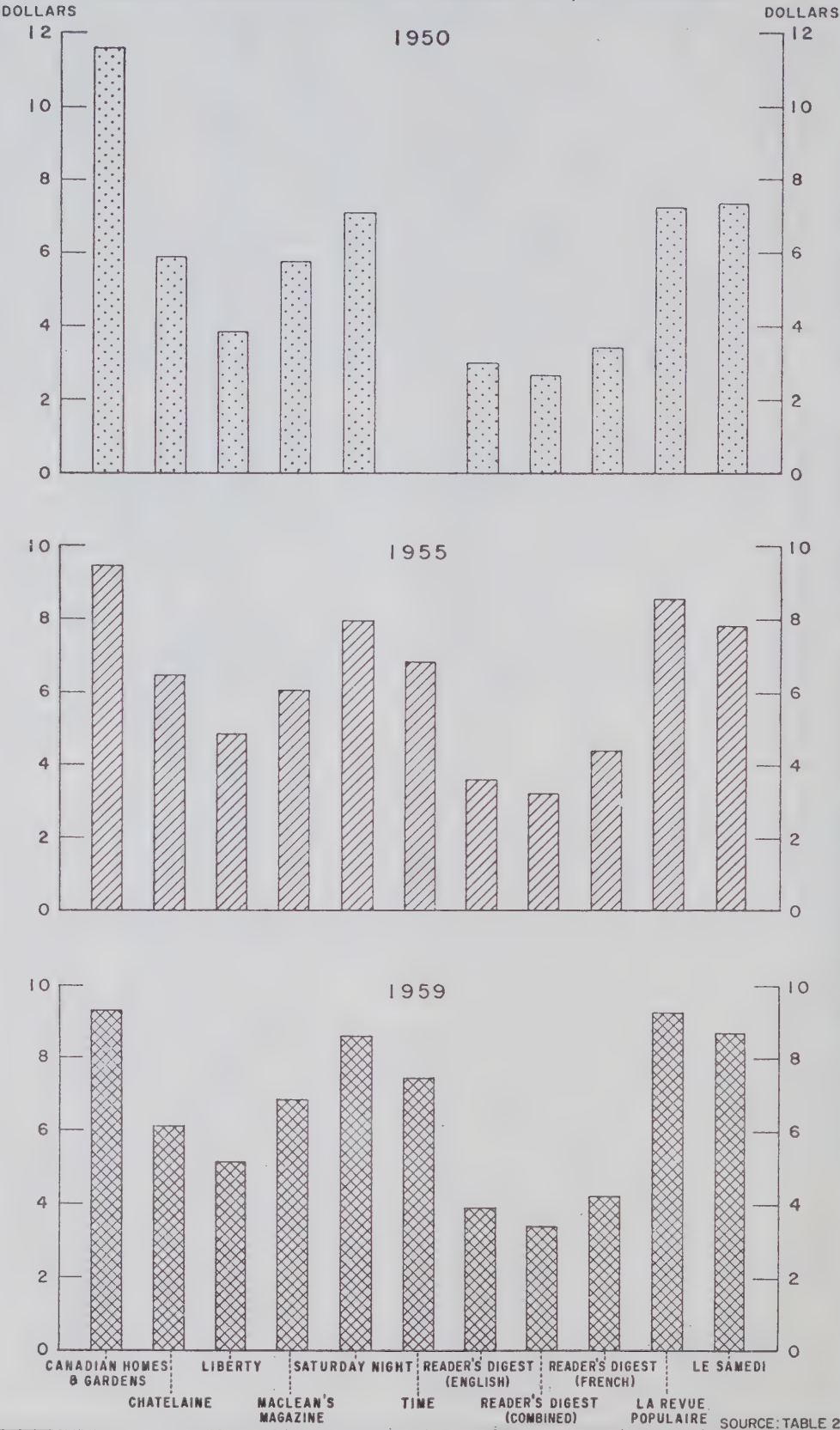
INDEX OF GROSS ADVERTISING REVENUE OF LEADING CANADIAN AND U.S. MAGAZINES AND GROSS NATIONAL PRODUCT, 1950-1959



SOURCE: TABLE 19

ADVERTISING RATES OF SELECTED CANADIAN MAGAZINES AND CANADIAN EDITIONS OF READER'S DIGEST AND TIME, 1950, 1955 AND 1959

COST PER PAGE (BLACK AND WHITE, ONE TIME RATE) PER 1,000 CIRCULATION



presses for six advertisement plate changes than for one. With most magazine advertisements confined to certain sections of these books, it is technically feasible to make up to 32 plate changes with only one interruption in the press run. This would be as applicable to sectional split runs and regional editions.

CANADIAN SECTIONS

The increasing availability of the split run has made 'Canadian' sections' largely redundant. Much of their recent popularity was based on liquor advertising restrictions in Ontario. When these were amended in August, 1960 at least one 'Canadian' section's revenue was reduced to the point where it became no longer profitable and it was discontinued.

CANADIAN EDITIONS

'Canadian' editions are the ultimate refinement in the re-use of second-hand editorial material to provide a vehicle for a new set of advertising messages. Two 'Canadian' editions, *Time* and *Reader's Digest*, have been getting over 40 per cent of the total spent on magazines in Canada.

The main complaint of "inequitable competition" made against 'Canadian' editions by the Canadian magazine publishers concerned the re-use, in whole or substantial part, of the editorial content of parent editions. In the case of *Time*, this consists of its taking the bulk of the *Time* (U.S.) editorial content and prefacing it with four pages on Canadian affairs. *Reader's Digest* draws exclusively from the central editorial pool created by the United States edition, but employs an editorial staff in Canada to provide boxes and footnotes, explaining the Canadian aspects of the editorial material obtained from this central pool.

The unfairness of this competition may be measured in two ways:

The actual cost of obtaining and preparing the editorial material made available to these 'Canadian' editions is far beyond what they or Canadian magazines could possibly afford, bearing in mind the size of the Canadian magazine-reading population. An estimate is that *Time* of Canada pays to its parent company less than 2 per cent of the actual cost of the editorial material thus coming to it; while *Reader's Digest's* total editorial costs, including the editing carried on in Canada, is a fraction of the total amount spent by the parent organization in obtaining and preparing it. Clearly, these publications have the advantage of being able to use high-cost editorial to obtain large circulations.

Canadian magazine publishers spend 10 per cent to 20 per cent of their total revenue on editorial content, and this figure is not out of line with the magazine cost-survey material made available by the United States Magazine Publishers Association. The Commission's

auditors' report¹ shows that both *Reader's Digest* and *Time's* 'Canadian' editions, through the re-use of their parent companies' editorial material, spend a much lower percentage of their revenue for this purpose. This leaves them greater resources available for other publishing operations or greater profits, or both.

It could be argued that the amounts these 'Canadian' editions remit to their parent companies for use of this editorial material is actually part of the profit of that operation, in that the money so allocated is, in effect, underwriting the editorial costs of the parent publication and so contributing to its profits.

In the case of *Reader's Digest* this would consist of the cost of maintaining that section of its editorial staff in Montreal which either provides the "Canadian aspect" for articles taken from the central pool or which is responsible for the translation of articles used in *Sélection*. *Time* of Canada's true editorial costs are those incurred in providing the writers and researchers in New York who work on the four-page Canadian Affairs section, together with the additional reportorial coverage of Canada needed to support that section. But even if there were no 'Canadian' edition of *Time*, the parent magazine would still have to maintain some staff in Canada to provide that part of the world-wide news coverage required for the domestic edition.

Examination has shown that the financial advantage of pre-paid editorial material has been used mainly to provide larger profits for these two 'Canadian' editions, profits which are well in excess, not only of any enjoyed by Canadian magazines, but also of the majority of magazines covered by the United States Magazine Publishers Association cost survey.

The rate of these profits is in excess of the profits of their parent magazine operations.

These Canadian editions also could increase their editorial expenditures until they were in line, on a percentage-of-revenue basis, with those of Canadian magazines and still they would make substantial profits on their Canadian operations.

CIRCULATION PROCUREMENT COSTS

Alternative Explanations

One of the criticisms levelled at Canadian magazines is that they devote far too large a proportion of their total resources to the procurement of circulation.

Latest figures available to the Commission show that some Canadian magazines lose heavily on this activity, i.e., the revenue obtained from the sale of a magazine, either by newsstand or subscription, has not been sufficient to cover the cost of obtaining it.

¹ See Appendix F.

The president of Maclean-Hunter Publishing Co. Ltd., told the Commission of his company's decision in 1958 to withdraw *Maclean's* from the circulation race. The advertising revenue decline, together with that taking place in circulation revenues, was largely offset by substantially reduced expenditures on circulation promotion and procurement, quite apart from other savings, such as in paper and printing.

CIRCULATION COMPARISONS

The adult in the United States, on average, reads 60 per cent more magazines than does the Canadian.

Projected on a population ratio of 10 to one, the 1959 average circulation of *Chatelaine*, of 745,589, is equivalent to 7,455,890, which is far greater than that achieved by any United States magazine covering the same field. If one confines the *Chatelaine* coverage to the English-speaking and bilingual portion of the Canadian population, the ratio rises to 13 to one, which gives this magazine a 1959 coverage equivalent to a circulation of close to 10 million in the United States. By comparison, at that time, *McCall's* had a circulation of 5,726,103, *Ladies' Home Journal* 5,986,726, and *Good Housekeeping* 4,673,416. Similar comparisons could be made for *Liberty*, and *Maclean's*.

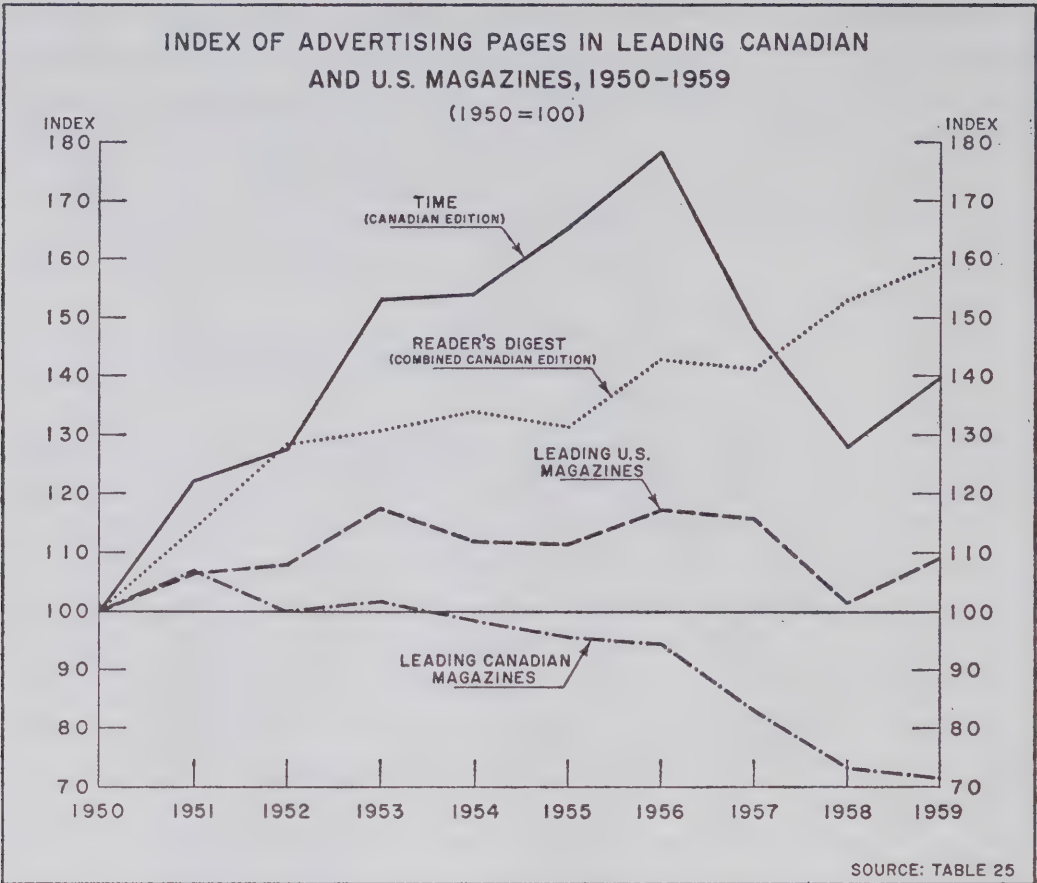
It is perhaps understandable that the Canadian publishers should seek such relatively large circulations. They are faced currently with the challenge of the 1,100,000 circulation for the combined English-French editions of *Reader's Digest*. *Weekend/Perspectives* has a weekly circulation of 1,870,000. Distributed as a supplement to the Saturday editions of some 35 daily newspapers, *Weekend/Perspectives* has achieved this circulation without the financial burden inherent in the traditional magazines' procurement methods.

EDITORIAL STANDARDS

The editorial standard of Canadian magazines was defended on two counts: either it was considered of high quality or else it was as good as reasonably could be expected. Canadian magazines could not spend on this department on the same scale as do competitors in the United States and in other countries with larger populations.

There is little doubt that Canadian magazines do not always have available to them the work of some good Canadian writers who, understandably, are attracted by the better prices they can obtain for their product in the United States. Some Canadian magazines spend twice as much on circulation promotion as they do on editorial content.

The editorial metamorphosis of *Chatelaine* in 1958, following its absorption of *Canadian Home Journal*, is worth noting. Not only has



Chatelaine achieved a relatively large circulation but it has also attracted advertising revenues greatly in excess of the total obtained by it and *Canadian Home Journal* before the merger.

REALIGNMENT IN THE INDUSTRY

A study of the changes that have taken place in the periodical press of other countries reveals a procession of magazine births and deaths. In the United States, for example, of the 20 magazines with a circulation in excess of one million in 1926, only six are still in existence. Of the 30 or 40 magazines at present in the one-million-plus circulation category, many, including *Life*, *Newsweek*, *Better Homes and Gardens* and *TV Guide*, were not in existence in 1926.

The post-war experience in the United Kingdom has been one of similarly drastic upheaval and re-orientation, with a number of examples of publishers deliberately killing off a magazine because it was no longer serving its original purpose and replacing it with one more in tune with the times.¹

There have been no such realignments taking place among the major publications of the Canadian magazine industry.

¹ See Appendix H.

It is noteworthy that there are no direct Canadian editorial competitors to either *Time* or *Reader's Digest*. Since 1923 when *Time* was founded, the news magazine has become an established part of the United States publishing field. The Canadian market is probably too small for such a development.

Canadian magazines that have survived have done so mainly by reason of their owners possessing other sources of revenue, generally business paper operations with which to subsidize them.

FOREIGN SITUATION

Canada's magazine industry is not alone in its plight. In neither the United States nor Britain is magazine publishing free from worry. In all three countries, commercial television has become the great competitor.

Advertising Expenditures in Selected Media (Canada and United States, 1950-59)

CANADA

	Total Advertising Expenditures		Magazine Advertising Expenditures ¹		Television Advertising Expenditures ¹	
	(\$000)	Index (1950=100)	(\$000)	Index (1950=100)	(\$000)	Index (1950=100)
1950	233,997	100.0	9,058	100.0	.....	.....
1951	262,318	112.1	10,188	112.5	.....	.....
1952	292,282	124.9	10,947	120.9	518	100.0
1953	331,439	141.6	12,184	134.5	1,335	257.7
1954	363,397	155.3	14,280	157.7	8,596	1,659.5
1955	400,972	171.4	15,725	173.6	13,444	2,595.4
1956	452,003	193.2	17,940	198.1	20,549	3,967.0
1957	478,069	204.3	18,109	199.9	22,266	4,298.5
1958	503,891	215.3	17,798	196.5	27,396	5,288.8
1959	.....	.....	18,513	204.4	.....	.....

UNITED STATES

	Total Advertising Expenditures		Magazine Advertising Expenditures ¹		Television Advertising Expenditures ¹	
	(\$000,000)	Index (1950=100)	(\$000,000)	Index (1950=100)	(\$000,000)	Index (1950=100)
1950	5,710	100.0	478	100.0	171	100.0
1951	6,426	112.5	536	112.1	332	194.2
1952	7,156	125.3	575	120.3	454	265.5
1953	7,809	136.8	626	131.0	606	354.4
1954	8,164	143.0	629	131.6	804	470.2
1955	9,194	161.0	690	144.4	1,025	599.4
1956	9,905	173.5	758	158.6	1,207	705.6
1957	10,311	180.6	776	162.3	1,273	744.4
1958	10,302	180.4	734	153.6	1,354	791.8
1959	11,117	194.7	831	173.8	1,510	883.0

¹ Magazine and television advertising estimates for Canada are "net", excluding agency commissions, discounts and talent and production costs.

The vast coverage of television, together with its relatively low cost per impression, have compelled magazines to concentrate on obtaining higher circulations, to the detriment of all other considerations.

In Canada, magazine publishers also have been exposed to the pressure from *Weekend/Perspectives* which, while able to give advertisers a quality of colour reproduction almost up to the standard of glossy magazines, also offers them the largest audience at a lower cost-per-thousand than magazines can achieve.

French- Canadian Magazines

The pressures affecting French-Canadian magazines are similar to those that make life difficult for the English-language periodicals. Only the source of these pressures varies.

In the circulation field, French-Canadian magazines face strong competition from France, especially on the newsstands.

While there was some suggestion that the French magazine publishers were treating Canada as a dumping ground for the copies returned to them by their newsstand dealers, the Commission believes the inequitable competition is the same as for English-language magazines: The imported magazines have the advantage of editorial content underwritten by a large domestic market. And this editorial material is of a level which cannot be afforded or matched by the French-Canadian publisher.

There is not as much economic incentive for the French magazines to start any of the various forms of by-product publishing here, for there is, between France and French-Canada, little of the business integration that exists between the United States and Canada.

It is from other directions that the pressures on advertising revenue come. The Commission finds the most severe of these to be the combined, English-French advertising rate of *Reader's Digest*.

The *Reader's Digest* advertising rate card #14, which became effective January, 1960, offered advertisers a four-colour page advertisement in the English edition for \$4,685, at a c/1000 of \$5.51. A similar advertisement in the French edition cost \$1,305 or a c/1000 of \$6.54. An advertiser placing an advertisement simultaneously in both editions paid \$5,075 (c/1000 of \$4.83) or only \$390 more than the cost of that advertisement in the English edition.

The French-Canadian magazine publishers claimed that advertisers were thus being given coverage of the French-Canadian market for only \$390, a c/1000 of \$1.95, and that if they tried to match this rate the revenue would barely pay for the ink and basic printing costs of the advertisement.

This combination rate is widely accepted among advertisers; in 1959 more than 88% of *Reader's Digest's* advertising revenue was obtained on this basis.

There is a sombre picture in the current position of French-Canadian magazines. Until October, 1960, there were three general-interest magazines in the field, *La Revue Populaire*, *Le Samedi* and *La Revue Moderne*. At that time *La Revue Moderne* ceased publication and became the basis of the first Maclean-Hunter incursion into the French-Canadian magazine field. Since then, *Chatelaine-La Revue Moderne* has been followed by *Le Magazine Maclean*.

The Commission has been assured that Canadian publications owned by Maclean-Hunter are not mere translations into French, but have their own editorial staffs, initiate their own editorial material and maintain complete editorial autonomy. But the last independent publisher of French-Canadian magazines, Poirier, Bessette et Compagnie, Limitée, has complained that these two magazines are backed by resources far in excess of what it could muster.

While the combined advertising rates for the English and French editions of *Chatelaine* and *Maclean's* do not offer discounts on the scale of *Reader's Digest* (\$110 on a four-colour page in *Chatelaine* and \$115 for *Maclean's*) they are nevertheless sufficient to make existence more difficult for *La Revue Populaire* and *Le Samedi*.

The representatives of the ethnic publications before the Commission asked little beyond recognition of their role in helping the assimilation of various ethnic groups into the Canadian culture, and concomitant consideration for government advertising.

Ethnic Publications

But even they are not entirely free from the effects of by-product publishing. They told of full-page matrices of editorial material, edited and typeset in Europe and devoid of Canadian news, being flown to Canada and incorporated into Canadian ethnic publications.

This material reduced the printer's pre-press costs to less than \$2 a page, whereas material edited and typeset in Canada costs up to \$60 per page, just for typesetting.

The Commission was told of one Canadian ethnic weekly publication which is printed completely from these imported matrices and yet is sold to advertisers as a Canadian ethnic weekly.

This is a practice which the Commission regards as highly undesirable.

OVERFLOW ADVERTISING

5

A large volume of advertising prepared primarily for an audience in the United States enters Canada in American periodicals. The effects of this advertising extend beyond the periodical publishing business but the Commission's terms of reference preclude taking these wider implications into account.

The Commission recognizes that overflow advertising causes some diversion of revenues from Canadian periodicals.¹ Attempts to increase the use of such advertising to cover the Canadian market can be checked by removing the incentives for American magazines to expand their Canadian circulation. But in order to provide any substantial assistance for Canadian publishers, more direct reduction of the general run of overflow advertising would require action which, the Commission feels, when viewed in conjunction with the other measures, would be undesirable.

The Periodical Press Association² contends that United States companies or their Canadian affiliates have tended to rely more and more heavily on this advertising for magazine coverage in Canada. The result, they allege, is that advertising expenditures, some of which would otherwise go to Canadian periodicals, are diverted back to the United States to pay for overflow or to other Canadian media.

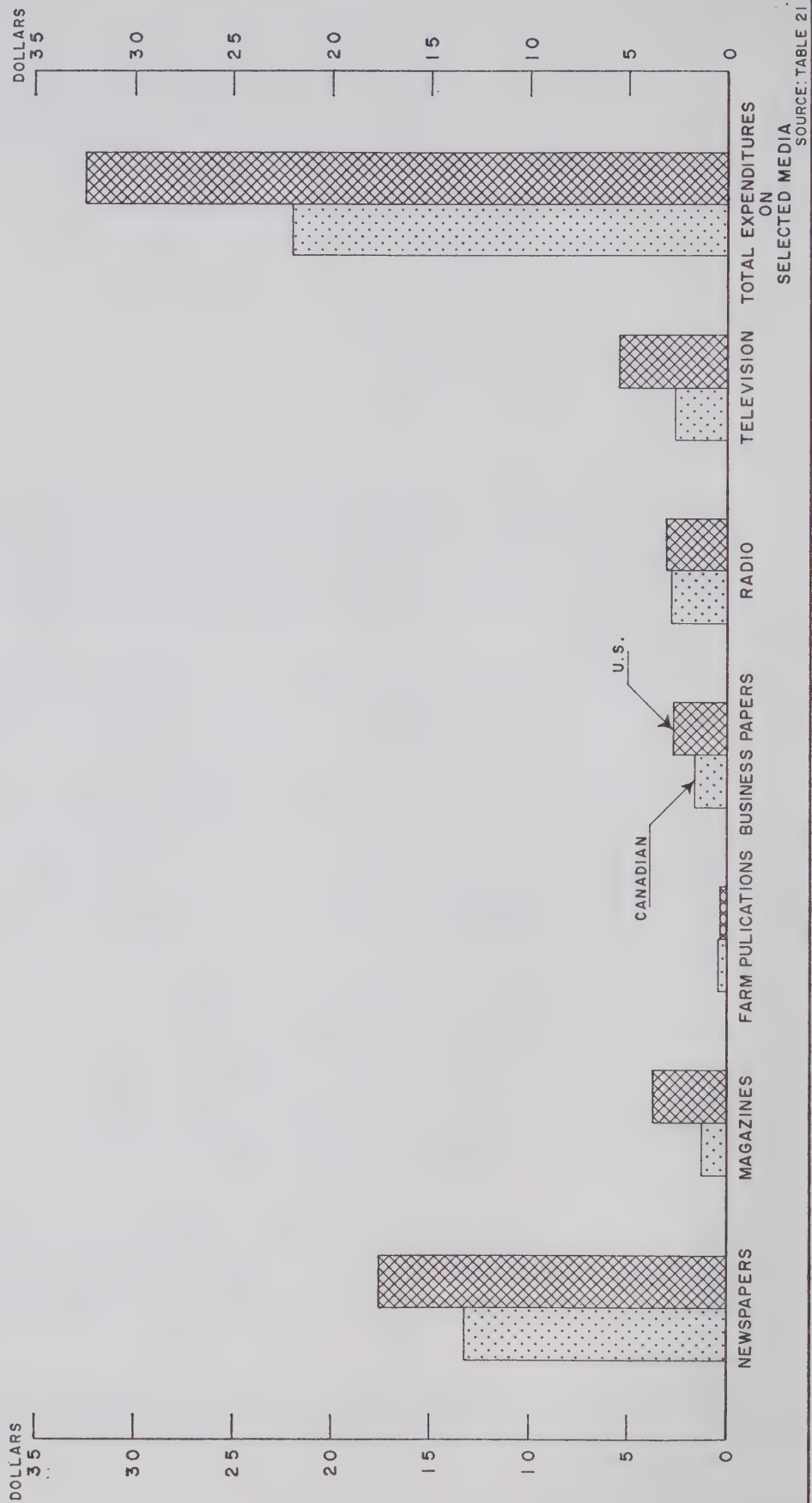
Consumer magazines are used much less heavily for advertising in Canada than in the United States. In Canada, magazine advertising expenditures per capita are only 34 per cent of the United States per

**Consumer
Magazines**

¹ See Appendix G.

² Using the Periodical Press Association method of calculation, the value of overflow periodical advertising would be \$25 million in 1959. The method consists of taking the ratio of Canadian to total circulation of a foreign magazine and applying it to the gross advertising revenue of that magazine.

PER CAPITA GROSS ADVERTISING EXPENDITURES BY SELECTED MEDIA
IN CANADA AND THE UNITED STATES, 1958



SOURCE: TABLE 21

capita figure. Total Canadian per capita advertising expenditures are 68 per cent of total per capita advertising expenditures in the United States.

This preference for the use of the magazine medium in the United States shows up clearly in the advertising programmes of companies that operate in both countries. Contrary to what Canadian publishers have come to believe, however, the situation has remained remarkably stable in recent years.

Total Consumer Print Media and General Magazine Advertising Expenditures of Companies¹ Advertising in Both the United States and Canada, 1956 and 1959

	Millions of Dollars			
	1956		1959	
	Canada	U.S.	Canada	U.S.
Total print media expenditures	38.7	636.7	43.3	764.1
General magazine expenditures	7.4	284.2	9.3	357.9
Magazines as % ² of total print	19.2	44.6	21.5	46.8

Moreover, although overflow is used as part of the Canadian advertising programmes of American branch plants or subsidiaries, it is only one of the factors affecting media selection. The size of the advertising budget and the differences between Canadian and American media are important.

For magazine coverage in Canada, overflow advertising can be considered as only a “second best”. After allowance for duplication of readers the Canadian circulation of a single or even several overflow magazines is not as broad as that reached by major Canadian periodicals. Apart from the language difference in French-speaking areas, however, there is little to prevent a particular unit of overflow advertising from affecting a Canadian audience.

The Periodical Press Association suggests that the value many companies attach to overflow periodical advertising is shown by the frequent references to it in merchandising programmes. There are many examples of such advertising tied in to Canadian media at both the trade and the consumer levels.

Advertisements in Canadian trade papers often stress that the products concerned are being advertised in various overflow periodicals. A typical case was provided by an American watch manufacturer’s advertising in a Canadian business paper in the fall of 1960. This stated that between then and Christmas the product would be advertised in *Life*, *Look*, *Rod and Gun*, *Argosy*, *Field and Stream*, *Good Housekeeping*, *Ladies’ Home Journal*, *McCall’s*, *Parents’ Magazine*, *Sports*

¹ 1956—243 companies; 1959—324 companies.
² Percentages based on unrounded expenditure figures.

Afield and *Time* as well as on a TV spectacular. The manufacturer claimed in the caption that "With this Lineup Everyone Sees . . ." Similar examples appear frequently in such fields as jewellery, clothing, housewares, hardware, cosmetics and shelter goods.

Point-of-sale advertising material¹ often directs attention to the fact that a product is advertised in such magazines as *Life* or *Good Housekeeping*. Examples exist in fields such as processed foods, clothing and many others. Some American magazines have offered point-of-sale display material free or at cost to advertisers but Canadian periodicals have only recently started this practice.

'GROCERY' MAGAZINES

A further example which points strongly to the potential dangers of overflow advertising at the retail level is the distribution through Canadian chain stores of the American "grocery" magazines, *Family Circle* and *Woman's Day*. This use of what amounts to a franchised distribution of housekeeping magazines in many of the chain stores in Canada ensures an extremely low degree of circulation duplication so that an advertiser using both magazines may obtain a wide coverage of the consumer market. There is very little Canadian advertising in these books but several retailers pointed out that they provide very useful sales aids when used with in-store displays and promotions of United States brands.

There are some cases where the effect of overflow on the Canadian audience is clear and undeniable. For example, organizations marketing books or records often include coupons or reply cards with Canadian addresses along with advertising overflowing into Canada. Canadian response to some of these campaigns has been substantial.

These various uses of overflow may encourage some United States companies to charge their affiliates in Canada for the service. The practice of charging varies greatly among companies, however, and just how general it is can only be guessed. But whatever the practices are in this connection, so far as can be determined at present overflow is not the dominant factor in media selection by Canadian subsidiaries.

SMALL ADVERTISERS' BIAS

Although the majority of companies advertising in both countries show a greater preference for magazines in the United States than Canada, the bias in this respect is more pronounced for small advertisers. Their print expenditures are almost entirely in magazines or entirely out of them and the latter behaviour predominates. Frequently these

¹ Point-of-sale or dealer-help materials include such things as counter and window displays, signs and folders in retail stores.

companies, many of which are in the early stages of developing a market in Canada, cannot afford the long-haul building of brand-name impact and prestige to which magazines lend themselves. They derive what benefit they can from the incomplete coverage of the market by their parent companies' overflow advertising and concentrate in Canada on the "hard-sell" media, mainly newspapers, radio or television.

Within the various Canadian advertising budget ranges, whether high or low, increases or decreases in the amount of overflow available generally have no apparent effect on the use of Canadian magazines. However, as Canadian budgets increase most companies tend to advertise in more media including magazines. Some bias against Canadian magazines remains but in many cases much of it can be explained by the differences between the various media in the two countries.

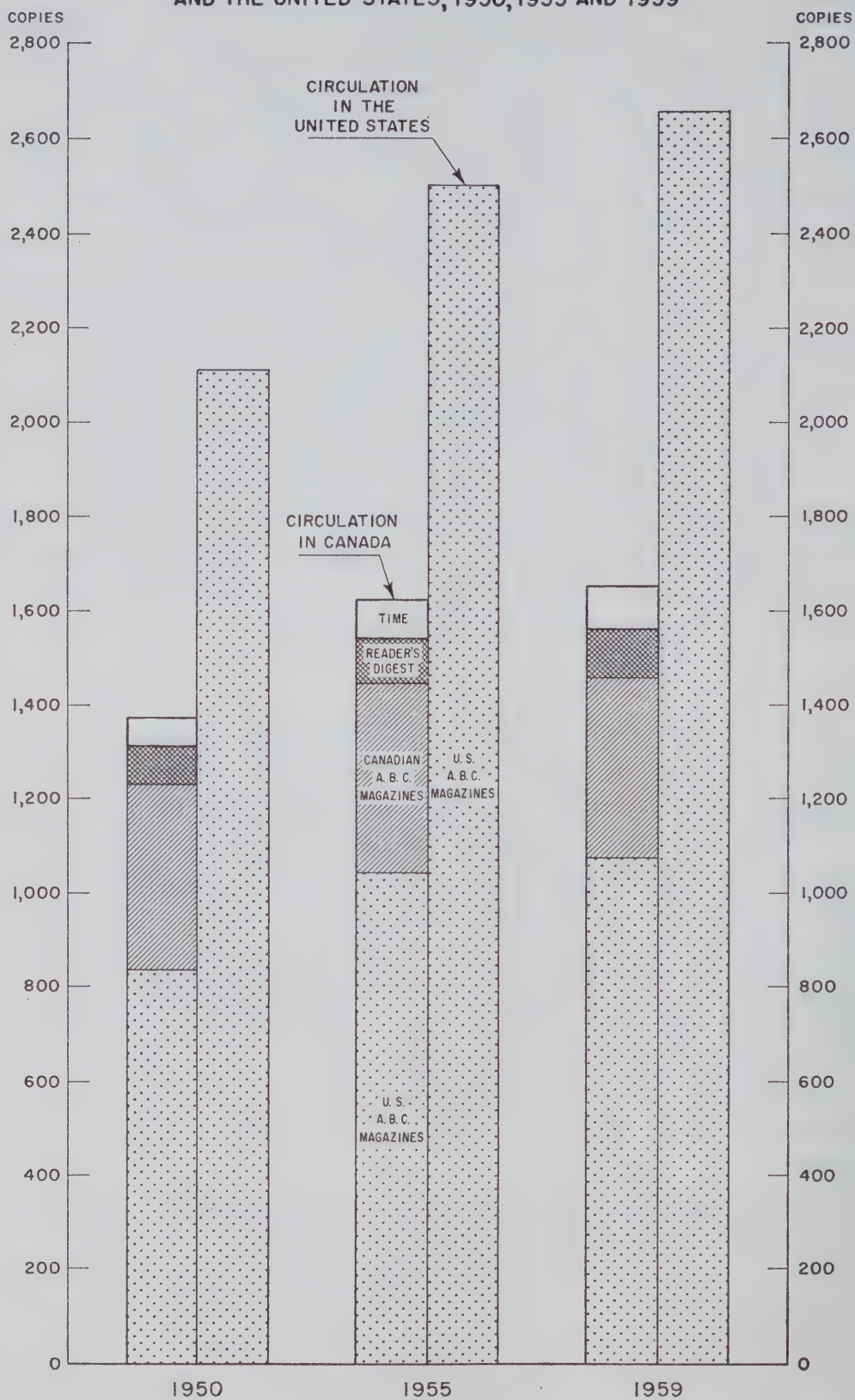
Canadian adults read only about two-thirds as many magazines as Americans. Moreover, United States advertisers have to depend more on magazines to get national coverage in print media than do Canadians. In Canada, national coverage is obtained with 100 daily newspapers. The United States advertisers would have to use most of their country's 1,750 newspapers. Canadian weekend newspaper supplements are also more attractive to the big advertiser than their American counterparts because of their national coverage.

MEDIA PATTERNS BY PRODUCT GROUPS

These differences are reflected in the media patterns of major advertisers. The large automobile companies favour newspapers over magazines in the United States and this preference is much more pronounced in Canada. Electrical appliance manufacturers allocate a larger proportion of their print expenditures to magazines in both countries than do the automobile companies but they use both daily newspapers and weekends more in Canada than they do in the United States. In both of these cases the newspaper advertising provides both national coverage and assistance to local dealers. Food processers and soap manufacturers want colour and low-cost mass coverage. Both use newspapers and magazines less in their Canadian advertising and concentrate much more on weekends than they do in the United States.

Canadian magazines clearly would be in a better position if there were no overflow advertising. In the few cases, like those of the book and record clubs, where its effects are clear-cut, direct action to reduce it seems to be warranted. Since other factors bear heavily on the media selection of most companies, however, direct measures to affect the broad run of overflow advertising would, as has been already said,

A.B.C. MAGAZINES SOLD PER 100 ADULTS⁽¹⁾ IN CANADA
AND THE UNITED STATES, 1950, 1955 AND 1959



(1) AN ADULT IS DEFINED AS A PERSON 15 YEARS OF AGE OR OVER

SOURCE: TABLES 4 AND 8

have to be very drastic if they were to provide any substantial assistance to the publishers. Such action would also interfere with reader preference.

On the other hand, many American companies are at present paying the United States publishers for Canadian circulation whether they want it or not. To avoid this and to attract more advertisers with a specific interest in the Canadian market, American publishers with sufficient circulation in this country may resort to split runs or regional editions. Prevention of these practices should reduce the incentive to expand overflow circulation and in turn impede any tendency for companies to increase their reliance on overflow advertising.

Canadian business papers have been protected from foreign intrusion up to the present. Unlike the consumer magazines, the overflow circulation of business papers is small by comparison with the total circulation of Canadian periodicals. With a few notable exceptions overflow advertising has so far presented no great problem.

Business Papers

Overflow advertising is a potential threat to business papers. The use of controlled circulation and the small coverage required for domination in a particular field carry dangers as well as advantages. Moreover, there has been an expansion of the proportion of the Canadian business papers' advertising revenue that is controlled, directly or indirectly, from outside Canada, and that is vulnerable to the effects of overflow competition.

One witness said that his publications derive approximately 27 per cent of their advertising revenues directly from American advertisers who sell their products in the Canadian market. They also receive revenue indirectly from the Canadian distributors of United States manufacturers. Together these sources may provide as high as 40 per cent of Canadian business papers' total advertising revenue.

Another witness suggested that United States business papers have set out to prove to their domestic advertisers that they also provide effective coverage of the Canadian market. Therefore "why not cut out the appropriation set aside for Canadian business papers, concentrate more on advertising in our publication and serve the two-fold purpose of more internal United States impact, through more or larger advertising, and, free of all additional charge, cover all the important buying influences in the Canadian market?"

INSUFFICIENT EVIDENCE AVAILABLE

The Business Newspapers Association has suggested that reliance on overflow was, in its field as in the consumer area, causing increased diversion of advertising revenue. Present statistical information per-

mits neither confirmation nor denial of this claim. Business paper advertising expenditures have been audited on a company basis in Canada only since the second half of 1959 so, as yet, it is impossible to establish any trend. The available information does not point to the presence in this area of anything like the general bias that exists in the use of Canadian and United States consumer magazines.

Companies relying heavily or entirely on overflow advertising have been reported in such diverse fields as plastics and chemicals, machinery and machine tools, fabricated metals, petroleum, aircraft, fire-fighting equipment, marine equipment, shelter materials, writing and dictating equipment, engineering, and the "beauty" industry. In many cases these companies had relatively small advertising budgets or only a small proportion of their total sales in Canada. The rather large number of examples in the machinery area may reflect the fact that this sector has been one of the weaker areas of the economy for several years.

Engineering, petroleum and beauty publications may lack some of the natural protection existing in other areas of business publishing. American engineering publications can supply advanced technical information that their smaller Canadian competitors cannot always afford. Much of the petroleum industry was established by Americans who look naturally to their own publications. In the beauty field conditions in the Canadian and American trade are much the same and the primary suppliers in the industry are largely American-controlled firms.

The most disturbing feature of overflow competition is the tendency for more advertisers, particularly those interested in industrial magazines, to pick a "key-book", one which is read by the relatively small number of men who control a large part of the purchasing in a particular industry, and to supplement its limited but important coverage by direct mail. With the advertising agencies taking a greater interest in the possibilities of direct mail, this approach could expand rapidly, particularly if it were reinforced by the franchise system.

While business papers have much in common with magazines, there are some important differences in their mode of operation:

(a) Their audiences are different. Business papers are smaller, more specialized. Where magazines seek hundreds of thousands, even millions of readers, business papers can be profitable with 10,000 and even 5,000 readers.

(b) The methods they use to obtain those audiences are different. With few exceptions, Canadian business papers operate the controlled circulation system, i.e., they cover an entire industry or segment of business by sending copies to all the desirable people within it, regardless of whether these people have asked for copies or are willing to pay for them.

(c) They can identify themselves more closely with the interests and concerns of their closely-knit groups of readers than can the more widely projected general magazines.

These three dissimilarities are of importance in any measurement of the extent to which the external pressures affecting consumer magazines also affect business papers. Each has an important bearing upon the level of resistance which business papers can muster in the face of these pressures.

SMALLER CIRCULATIONS

By comparison with consumer magazines, each circulation unit in a business paper is of much greater value in the eyes of the potential advertiser. A purchasing agent or plant manager often controls the placing of orders for thousands of dollars' worth of products, by comparison with the lower purchasing power of the individual housewife.

It is possible for a foreign business paper to achieve a dominating position in its particular field in Canada with only 2,000 or 3,000 circulation, especially in some sectors where the number of key positions within an industry is relatively small.

CONTROLLED CIRCULATIONS

Controlled circulation has become an integral part of business paper publishing in Canada. While approximately 20 per cent of business paper circulation in the United States is of a regular paid subscription nature, the percentage is much lower in Canada. In fact, there are only a few business papers in this country with a sufficiently large paid circulation to qualify them for membership in the Audit Bureau of Circulations. In their representations, Canadian business paper publishers have emphasized the merits of the controlled circulation system. They point out that it enables them to provide, right from the outset, complete industry coverage for the advertiser, whereas they consider a publication, operating on paid subscriptions, would be fortunate if it achieved 50 per cent coverage within five years.

They say that controlled circulation is not just a free, give-away system; the accent is on "controlled" in that only those people connected with the field covered by the particular business paper are allowed to receive the publication.

The publishers also maintain that the paid subscription system would involve them in inordinately heavy procurement costs, seeing that their potential subscribers are spread thinly over the whole population, making it difficult, if not impossible, to reach them through a field sales force. These business or trade papers are not an economic proposition for distributor, wholesaler or newsstand dealer.

But controlled circulation, by its very nature, makes the business paper field in Canada vulnerable to any foreign publisher who buys a mailing list of the people he wants to reach. For this reason, it is easy to understand why Canadian business paper publishers are apprehensive of possible incursions of United States publishers.

NATIONAL CIRCULATIONS

Readers of any specific business paper usually have a common vocational interest, whether they be supermarket managers, package designers or architects. Often distributed from coast to coast, they come to look upon their business paper as an important link with other members of their trade or profession.

Canadian business papers perform a function that cannot be performed satisfactorily by foreign business papers. This is their strength.

Business paper publishing in Canada is currently profitable. The number of publications¹ has grown enormously in the past decade, rising from 321 titles in 1950 to 398 in 1959. Circulations and advertising revenues have also shown substantial increases over the same period; annual circulation rose from 23,040,000 in 1950 to 43,235,000 in 1959 while net advertising revenue climbed from \$9,704,000 in 1950 to \$25,183,000 in 1959.²

¹ Those listing sworn circulation statements in *Canadian Advertising*.

² See Tables 13 and 18, Appendix K.

The profits obtained by business paper publishers are much higher proportionately, than those of consumer magazine publishers (assuming the latter make any profit at all). There are examples of some Canadian business papers which, in 1959, made a profit before income taxes of up to 40 per cent of revenue. A cost survey for the same year, encompassing 79 business papers, set their average profit, before income taxes, at 12.7 per cent.

A major contributing factor to this healthy profit situation is the avoidance of heavy circulation procurement costs.

The present trend within the industry is for the publisher to turn to an outside commercial printer for the production of his publication, rather than get involved in the capital expenditure involved in doing his own printing. This, coupled with the ready availability of "circulation" via the controlled system, makes it relatively easy for a newcomer to the industry to start with little capital.

While a few business papers have died in recent years, many more have been born. There is a danger that there may be too many business papers in some fields. United States publications can specialize to a greater extent than can Canadian business papers. For example, in Canada there are only three business papers specifically serving the metalworking industry while there are 59 in the United States. The Canadians are:

Canadian Machinery and Metalworking
Canadian Metalworking
Machine Production and Canadian Supply

Among the United States business papers are:

Assembly and Fastener Engineering
Carbide Engineering
Die Casting Engineer
Grinding and Finishing
Modern Castings
National Ornamental Iron Fabricator
Plating
Tooling and Gaging

COMPETITION FROM OTHER MEDIA

While consumer magazines face their strongest competition from television, overflow circulation, weekend newspapers, and 'Canadian' editions (probably in that order), business papers are most affected by direct mail (which is actually a controlled-circulation type of distribution of advertising without editorial content), *Time* magazine, overflow circulation of United States business papers and a specialized form of 'Canadian' edition to which we shall refer in detail later. They are

affected to a lesser, but increasing extent, by company publications (house organs)—those publications of varying standard and quality, issued by the individual company and mailed to its customers and prospects (direct mail plus editorial matter).

There is also much stronger competition within the medium than exists among consumer magazines where there is some stratification of audience.

The rivalry among business papers flows from the existence of “horizontal” as well as “vertical” publications. The extreme of the former is the *Financial Post* which directs its editorial and advertising at virtually every segment of our industrial and commercial life. There are few Canadian business papers that do not consider it a rival for advertising revenue.

The business papers that seek to serve purchasing agents have almost as broad a sphere of influence—most industrial companies of any size have a purchasing agent who is responsible for placing orders for raw materials, machinery and even such miscellaneous items as paper towels and typewriter ribbons.

Business papers have attracted a growing share of the advertising dollars available in Canada. In the period 1950 to 1958, their revenues increased by 141% compared to an increase of 115.3% in overall advertising expenditures. In the same period, their share of revenues attracted by periodicals of all types increased from 7.6% to 9.0%, but they are not faring so well by comparison with their competitors. For example, in that 1950-1958 period, *Time's* Canadian advertising revenues rose by 207.7%.

It is not possible to estimate the increase in value of overflow advertising from United States business publications for the period but it is significant that the circulation of United States business papers into Canada has been rising. The competitive effect of direct mail in the industrial field is virtually impossible to measure. Neither can it be determined accurately whether the growth in direct mail has been greater in the industrial or consumer field.

ALLEGATIONS OF INEQUITABLE COMPETITION

United States business papers' annual circulation in Canada has increased substantially in the past decade, from 1,322,000 in 1950 to 5,411,000 in 1959. Members of the Business Newspapers Association told of a number of United States business papers accepting Canadian advertising either for split runs or Canadian sections.

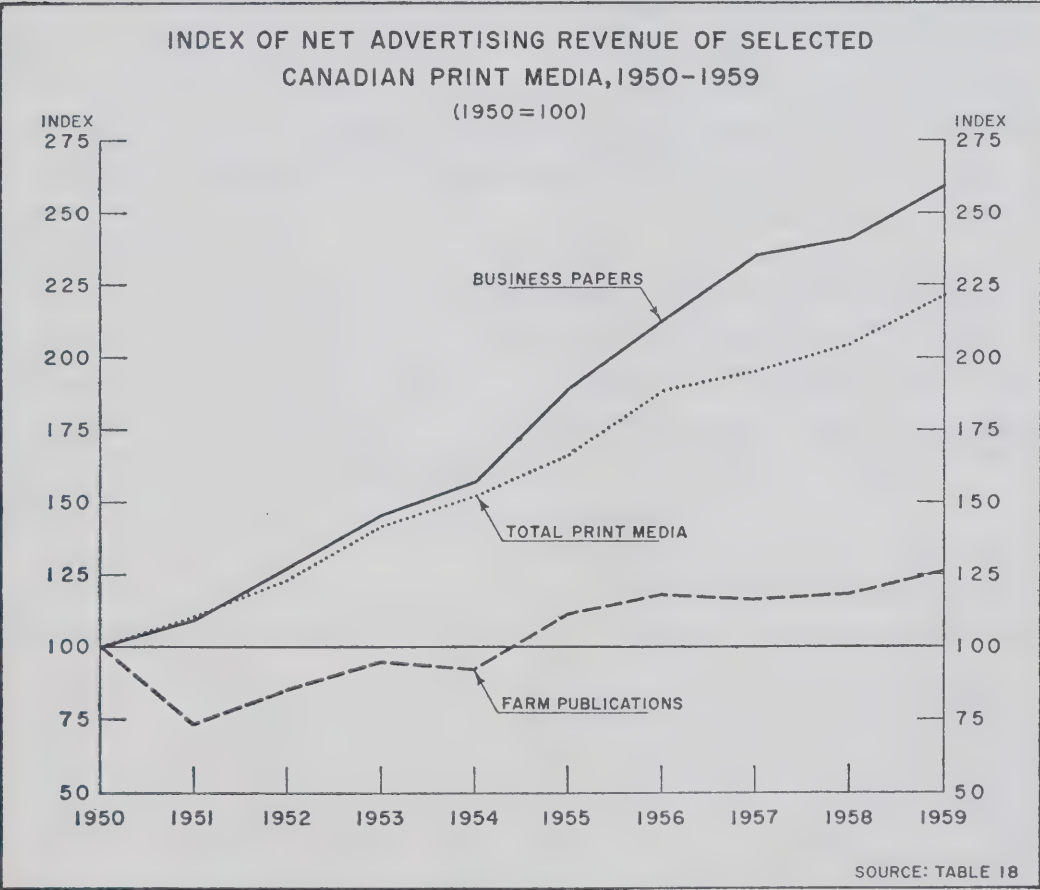
One witness directed attention to the publication *Industrial Property*, which carried on its masthead “Published in the interests of U.S. and

Canadian Industry". It contained a 'Canadian' section, although it was suggested the only thing Canadian about it was the advertisements it carried.

BY-PRODUCT PUBLISHING IN BUSINESS PAPERS

Neither split runs nor regional editions represent an immediate danger for business paper publishers. Canadian publishers argued that their contribution to Canada's economic advancement could not be replaced by foreign business papers. This contention seemed to be inconsistent with their expressed fear of serious competition of 'Canadian' editions, even if these 'Canadian' editions were to include a section devoted to the Canadian scene and indigenous Canadian problems. But there are dangers that 'Canadian' editions, or specialized evolutions of this form of by-product publishing, will injure Canadian business papers.

Cost studies for business papers both in Canada and the United States, have shown that it is possible for the larger United States publications, through economies resulting from the re-use of editorial content, to set up a 'Canadian' edition operation which, despite its smaller scale, will provide at least as high a profit ratio as the publisher enjoys on his domestic operation.



Within the business paper field in Canada, there are two deviations from the external pressures affecting consumer magazines, one evolving from the 'Canadian' edition and the other a refinement of overflow circulation.

The first might be called the "Seccombe House technique", after the company practising it so successfully in Canada. This company came to an arrangement in 1945, with the publishers of the United States business paper, *Modern Medicine*, whereby Seccombe House would publish, in equal partnership with them, a Canadian version of *Modern Medicine*. Seccombe controls and manages it and its editors select the contents to be drawn from the United States issue. The Canadian component also has secured rights to start, manage and own 50% of other versions of *Modern Medicine* within the British Commonwealth, and publications have started along these lines in Great Britain and Australia.

In 1954, Seccombe House entered into a similar arrangement with the publisher of the United States business paper, *The Office*, thereby setting up *Canadian Office*.

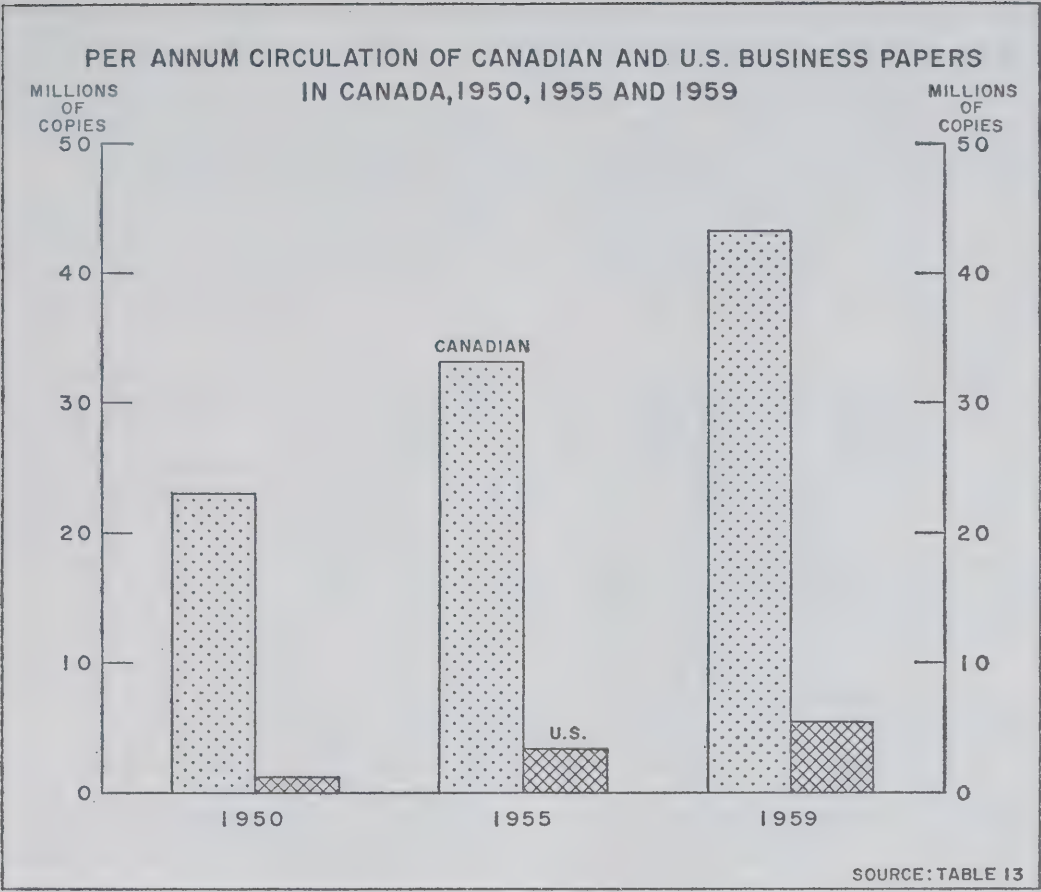
The whole operation is controlled by a Canadian publisher with an intimate knowledge of the Canadian business paper scene.

The "distribution-franchise system", a refinement of overflow circulation with a dash of the split run, is the second deviation. It is already established in Canada, with at least seven United States business papers operating it here. A Canadian distributor or importer contracts with the United States business paper publisher to purchase a set number of copies at a volume price and to mail these to his customers or prospects. In return, the distributor is given a free advertisement on the publication's cover together with an imprint bearing his name, to the effect that "This publication is sent to you with the compliments of . . ."

The advantages are three-fold: The distributor receives an advertisement at a relatively low cost; the publisher is assured of a first-rate mailing list that is kept up to date via the distributor's sales force, and he also knows the distributor will try to persuade his United States principals to place their advertising in the publication that is going to all his customers and prospects.

If inequitable competition is to assume dangerous proportions in the business paper field, it may develop most strongly via these techniques.

There is little, if any, doubt that but for the profitable existence of business papers, there would be no Canadian general consumer magazines today. Almost without exception, they have been heavily subsidized from the business paper profits of their publishers. Even where they have managed to break even over the years (as has been the case with *Maclean's*) this has been achieved only through the pouring



in of money at a rate made possible by the existence of a substantial flow of profits from the business paper operation.

PRESENT POSITION

In 1950 there were 47 farm publications reporting circulation listed in *Canadian Advertising*, including 12 with newspaper format. In 1955 there were 52 (12 with newspaper format), and in 1959 there were 53 (11 with newspaper format).

Farm
Publications

Farm papers' share of total print media advertising revenues declined in the last decade.

Percentage of Total Print Media Advertising Revenues

	Magazines	Business Papers	Farm Publications
1950	7.1	7.6	4.2
1959	6.5	8.9	2.4

In the main, farm papers are faced with more fundamental problems than those of foreign competition in its various forms. Their very *raison d'être* are threatened by the decline in rural population and the urbanization of those who remain—due largely to the impact of TV, radio and other media. The tastes, habits and desires of the rural

family are coming more and more into line with those of the urban family and the communications media are becoming common to both. Furthermore, with the increasing ease of travel, there is a growing shift in the shopping habits of the rural family. They are gravitating more and more toward the city, even for their weekly food requirements.

A result of this is the decline in the importance of the farm paper as a vehicle of communication between the advertiser and the farm household, as distinct from that between the advertiser and the farm operator.

The managing director of the Public Press Ltd., publishers of *Country Guide*, told of some classes of consumer and household goods not extensively advertised in the farm press, notably apparel, confectionery and soft drinks, food and food products, home furnishings, travel and hotels, among others. These advertisers consider they get adequate coverage of the farm consumer market via television and other periodicals.

In the ten-year period, 1950 to 1959, farm papers' share of print media advertising revenues declined from 4.2% to 2.4%.

The ultimate result of this trend will be a retreat by the farm paper to a less ambitious role as "the farmer's business paper". This may involve the disappearance of some publications (although this may be delayed for some time, due to the artificial support of certain farm papers by growers' co-operatives, etc.) and a severe reduction in the circulation of others.

The farm press has intimated it at present is not greatly concerned about the incursion of the specialized United States farm publication into Canada; in fact it is less concerned about this than the competition for the farm family's subscription dollar and reading time from general consumer magazines of both United States and Canadian origin. Such farm papers as survive may be concerned mostly with the Canadian agricultural experience, and this is a field not easily covered by foreign publications.

CULTURAL & LITTLE MAGAZINES

7

No report on Canada's periodical press would be complete without a word on scholarly and cultural journals, and what is known as the "little" magazine.

We have in Canada no equivalents of British journals of opinion such as the *New Statesman* and the *Spectator*, nor of a publication of the literary excellence of *Encounter*. Nor have we anything yet to put beside those admirable American prints, *The Atlantic*, *Harper's*, or *The New Yorker*.

Whether these come to us in time, we cannot be sure; indeed, it is worth noting that some of the famous British periodicals of the past, those which knew giants like Macaulay, Acton, and Morley, have in recent years declined.

THE 'LITTLE' MAGAZINE

What Canada does possess, however, in addition to a number of first-rate technical and scientific journals, is what is perhaps called loosely the "little" magazine, a publication giving encouragement to young writers, while struggling to keep alive what somebody has called the "guttered and flickering candle of idealism". Published by small groups of ambitious writers, and often written brilliantly, these small magazines, with their high rate of mortality, attract few readers and fewer advertisers, yet have their place in the cultural life—and hopes—of the country.

"Little" magazines and what are known broadly as "cultural" publications are not always the same thing. The first are devoted mainly to social and literary criticism, but also include original poetry and fiction; the second take in academic and scholarly journals, reviews of literature and the arts, and "quarterlies" which cover a number of fields.

Of the place among us of the journals of opinion, no matter how obscure, this may be said: While their voices may sometimes seem rash and irreverent, they are of our proud privilege of dissent, a right which we set confidently beside the totalitarian way. To know the story of freedom is to feel their need, especially if we remember how succeeding generations often build monuments to the prophets their forefathers stoned.

CULTURAL PUBLICATIONS

Among the cultural publications, the academic journals devote themselves to the scholarly examination of a particular discipline; the *Canadian Journal of Economics and Political Science*, the *Canadian Historical Review*, and the *Canadian Journal of Mathematics* are examples. The scholarly publications, almost always written by professors for professors, have in some instances won international acclaim; the *Canadian Bar Review*, to give one example, is acknowledged to be one of the great law journals of the world.

The importance attached to these scholarly, technical, and general cultural journals by other nations, and the place they occupy in civilized societies, is shown by submissions made to the Commission. The University of Toronto library receives 9,500 such periodicals; McGill University library 5,100; the University of British Columbia 5,000; and the University of Ottawa 2,100.

This Commission is firmly of the belief that the free flow into Canada of such publications must continue.

ARTISTIC AND LITERARY PUBLICATIONS

Artistic and literary periodicals are broader in scope and appeal. *Vie des Arts* and *Canadian Art*, both beautifully produced by any standards, keep abreast of Canadian developments in painting, sculpture, and architecture. *Tamarack Review* is an example of a little magazine which somehow has made its way; now nationally known in the cultural scene, it combines literary criticism with articles of a more general nature and prints original poetry and short stories. *Canadian Literature*, published at the University of British Columbia, is devoted entirely, and with distinction, to literary criticism and reviews. The *Canadian Geographical Journal*, which seeks to do for Canada what the *National Geographic* does for the United States, is, despite limitations imposed upon it by a smaller audience, a publication of merit. It is published by the Royal Canadian Geographical Society.

Quarterly reviews, unlike the academic journal, are not confined to a particular field, but do retain the academic approach and university atmosphere. Among the best-known are the *University of Toronto*

Quarterly, *Revue de l'Université Laval*, *Dalhousie Review*, and *Queen's Quarterly*. The latter, of late, has become faintly popular; like some of the artistic and literary periodicals, it may be seen on the better news-stands.

THE UNIVERSITY PRESS

The role of the University of Toronto Press in the publication of academic journals is important. At present, seven scholarly journals¹ are subsidized by it. The programme of subsidization of both books and periodicals is financed by the other publishing and related operations of the Press; the parent institution, the University of Toronto, provides no direct assistance. The current programme of the Press has brought it to sixth place among 51 members of the Association of American University Presses. The only other university press in Canada is the McGill University Press, which began operations on July 1, 1960. As well as the publication of scholarly books (seven titles are in preparation at present) the McGill Press plans to issue academic journals. Under the terms of a recently-concluded agreement, it is the Canadian agent for the Yale University Press, an arrangement similar to that between the Presses of the University of Chicago and the University of Toronto. In addition to revenues from publishing operations, the McGill Press now receives a grant voted for a five-year period by the University.

JOURNALS OF CREATIVE WRITING

The journals of creative writing—for example, *Duo*, *Delta*, *Alphabet*, *Fiddlehead*, and *Prism*—provide an opportunity for the young writer of promise who has not yet produced a book-length manuscript or collection of verse. Their story is one of defeat and return to the field, of a denial to them of costly circulation promotion and newsstand sales, of dependence for their readership on word-of-mouth “advertisements”.

Illustrative of their trials is the recent disappearance of the *Waterloo Review*, whose deserved national recognition was unfortunately not accompanied by national support in either circulation and advertising, and which is now succeeded by *Alphabet*, described somewhat fearfully as “A Semiannual Devoted to the Iconography of the Imagination”. It may bring hope to some that the first print of *Alphabet*, put out by Professor James Reaney (it was handset by himself) was over-subscribed.

¹ The *Canadian Historical Review*, the *Canadian Journal of Economics and Political Science*, the *Canadian Journal of Psychology*, the *University of Toronto Quarterly*, *The Phoenix*, and the *Canadian Journal of Mathematics*, all of which appear quarterly, and the annual *University of Toronto Law Journal*.

Another "little" magazine handset by its editor is *Delta*; Professor Louis Dudek of McGill, one of Canada's contemporary poets, sets the type and issues the magazine four times a year. *Prism*, a relatively recent arrival, is produced by a number of the younger writers on the west coast. *Fiddlehead* is published in Fredericton, which advertises itself as Canada's "poets' corner". There probably are others.

French Canada produces its share of "little" and cultural magazines. Representative of the former is *Liberté*, which publishes poetry and literary criticism. *Situation* is another outlet for younger French-speaking writers. Coverage of many aspects of French-Canadian life may be found in the pages of *Actualités*. The traditional place of religious publications in Quebec is recalled by *Relations*, with its proud history, and by *Revue Dominicaine*, which also maintains the highest ideals.

Vie des Arts, as has been mentioned, is devoted to painting, sculpture, and architecture. Both the content and the physical production of this magazine are comparable with the finest art publications in the world. Among the scholarly publications is *Revue d'Histoire de l'Amérique Française*, whose existence is indicative of French Canada's abiding sense of, and interest in, its history and traditions. *Culture*, a quarterly, is published by l'Association de Recherches sur les Sciences Religieuses et Profanes. As well as reviews, this journal provides a partial cataloguing service for 75 French-language periodicals, the majority of which are published in Canada.

To sum up, all these "little" magazines, cultural publications, and literary and scholarly journals, are a part of our national heritage, reflecting something else than our concern with the marketplace, keeping alive among us the deeper, sweeter and more spiritual things of life.

In the opinion of the Commission, their encouragement and preservation cannot be put aside.

THE SOCIAL ROLE OF PUBLISHING

8

The chief concern of this Report thus far has been the very proper examination of the economic aspects of periodical publishing in Canada; it was the allegation of inequitable competition to which the Commission's special, but not exclusive, attention was directed. The terms of reference, however, also point clearly to the implications of the social role of publishing; the Commission, as well, was instructed to consider "... possible measures which ... would contribute to the further development of a Canadian identity through a genuinely Canadian periodical press."

"CULTURE"

The word "culture", like Lear, is "more sinn'd against than sinning." The phrase "Canadian culture" has unfortunately given rise to muddled thinking and pseudo-intellectualism; it has been so abused, and has come to mean so little, that this Commission has preferred to shun it, and to speak instead of "the Canadian experience" or "Canada's national identity".

"THE CANADIAN EXPERIENCE"

"The Canadian experience" is that group of attitudes, traditions, values, and processes of government and society, which make Canadians distinguishable from other peoples. Our heritage of French and English civilizations side-by-side; our allegiance to the Queen; our Commonwealth ties; our participation in the North American economy; and our North American orientation in the social *milieu*—all contribute to our consciousness of being *Canadians*. All the tangibles and intangibles which tend to unify us despite our youth, our sparse and widespread population, and our lack of ethnic homogeneity, help to enrich this experience and to develop a national identity. The result is the ever-growing unification of our nation. National unity has been our chief

task since Sir John A. Macdonald went about the business of building, from bickering and scattered colonies, a great transcontinental nation. Sir Wilfrid Laurier continued it when he strove to bring French and English closer together under a common Crown. Both major political parties have worked toward it for over fifty years, even though differing from time to time on questions of ways and means.

PERIODICALS AND NATION-BUILDING

The role of the periodical press in building this Canadian unity cannot be ignored. But it cannot contribute its share if it is beset by overwhelming competitive conditions that threaten its existence.

PUBLISHER AND WRITER

Publishing is the fulcrum on which the relationship between writer and reader is balanced; as such, it has responsibilities to both. Its chief responsibility to the writer is the provision of an outlet for his ideas. The publisher can also offer advice and encouragement. Yet neither of these obligations can be fulfilled if the publisher is economically oppressed.

It is generally true that most short stories, critical articles, and poems with any literary merit at all can get published in Canada today—almost always in a “little” magazine or review. In this area, however, the money reward is almost non-existent.

On the other hand, stories and articles intended for consumer magazines do not fare as well. The contracting magazine field has reduced drastically the outlets for “slick” or “formula” fiction. *Chatelaine* is the only major fiction market left. Professional fiction-writers must look to the United States for a market, or a large part of it. Moreover, there has been a trend away from the use of fiction in several magazines, notably *Macleans*.

For the article-writer, too, fewer magazines in Canada mean fewer Canadian markets. Another disadvantage applies particularly to the freelance article-writer: a large number of articles are now staff-written. This is done not merely to save on cost, but because editorial direction is less difficult. The freelance article is more likely to be written by an authority in a particular field, or by an established freelance writer.

Many, if not all, of the difficulties might be alleviated if magazine-publishing were in a healthier state. As it is now, a professional freelance writer cannot live on the proceeds of writing only for Canadian periodicals. This problem touches other fields too; for instance, book publishers told the Commission that they consider periodicals a training-ground for writers of books. If our periodicals disappear, book-writing, too, will suffer.

The addition of cash grants to the Governor-General's Awards was a step forward. But inducements to the young writer for periodicals are still all too few. The Ryerson Press offers \$1,000 for the best work of fiction or non-fiction by a young writer—but this is for a full-length work. Periodical writers once had Maclean-Hunter awards to compete for, but these have been discontinued.

Whether offered by a public agency (such as the Canada Council) or private publishing houses, grants and awards are a stimulant to good writing. To assuage the fears of those who envision indiscriminate hand-outs, the "when merited" provision, backed up by competent selection, is a safeguard.

In addition to its responsibilities toward writers, the periodical press also provides outlets for the work of painters and photographers, both largely dependent on a strong publishing industry.

COPYRIGHT

The so-called "manufacturing clause" in the United States copyright law is another difficulty for Canadian printers and publishers. Under the terms of this clause, a book, periodical, or newspaper must be printed in the United States to enjoy full copyright protection there. Copies printed outside the United States are granted only "ad interim" copyright protection for a period of five years from first publication—and this only on condition that not more than 1,500 copies are imported. If a work under "ad interim" protection is not printed in the United States within the five years, copyright protection ceases.

The situation could be rectified immediately if Canada would ratify the Universal Copyright Convention, of which the United States is a member—and, indeed, to an extent the sponsoring nation. (Canada is a signatory to the Convention, but not a member, because she has not ratified). Immediate ratification would free Canadian authors, printers, and publishers from the requirement to print in the United States within the five-year period, and would also permit them to export over 1,500 copies. Moreover, they would also be relieved of certain other requirements respecting United States registration and notice.

INDEXING

The ready access to information in periodicals is essential for students, teachers, scholars, researchers, reporters, librarians, bibliographers, and scientists. This access is achieved through a system of indexing by author and subject. Compared with what they ought to be, Canada's facilities are, at present, primitive.

The Canadian Library Association told the Commission that, of the more than 800 periodicals published in Canada, only 70 are now

covered by the *Canadian Index to Periodicals and Documentary Films*, and 36 by the Toronto Public Library's *Canadian Business and Technical Index*. In addition, 82 Canadian periodicals are covered by American indexing services. At least an additional 256 titles should be covered.

The *Canadian Index to Periodicals and Documentary Films* is published by the Canadian Library Association, and is supported by subscriptions and grants from the National Library and the Canada Council. If, however, it is to hold its own—to say nothing of expanding—additional funds must be made available to it. The *Canadian Business and Technical Index*, subsidized with staff time by the Toronto Public Library, also requires assistance.

In the United States, the H. W. Wilson Company publishes 14 separate periodical indexes. The *Reader's Guide to Periodical Literature* alone includes 139 titles.

A wealth of historical, literary, and social material is now buried in unindexed back files of nineteenth and early twentieth century Canadian periodicals. Until it is indexed, its value to historians and scholars is greatly decreased. Periodical indexing in Canada began in 1930, was haphazard until 1948, and is still incomplete. By contrast, there are, in the United States, indexes covering the years from 1802 to the present.

At least 80 French-language periodicals should also be indexed; at present, *Culture*, while primarily a quarterly review, provides a partial cataloguing and content-classification service for 75 titles, 43 of which are published in French Canada. The Canadian Association of French-language Librarians also pointed to the need for a Canadian *Union List of Serials*.

Aid to the indexing of both historical and contemporary periodicals would bring results in terms of scholarship and new research worth incalculably more than the initial outlay.

PUBLISHER AND READER

In addition to his responsibilities to the writer, the Canadian publisher also has duties to the Canadian public. Periodicals educate, inform, entertain, and amuse. They provide the forum for debate and discussion which is essential to the democratic process.

Ideally, periodical publishing in Canada should be Canadian, competitive, and healthy—Canadian, because of the desirability of information written by Canadians to Canadians; competitive, because no one has a monopoly on truth or wisdom, and monopolistic or oligopolistic tendencies inhibit unfettered decision-making and debate; and healthy,

because general well-being of the industry is valuable both in itself and as a climate in which new publishing ventures would have a chance to survive.

If Canadians have the right to read about international affairs in terms they understand, it would follow that people in other countries should be given a chance to see Canada through Canadian eyes. It is indeed a sorry state of affairs which permits *Time* magazine to say of its 'Canadian' edition that ". . . *no other journal provides as much information about Canada to as many readers throughout the world.*"¹ Whether or not this statement is accepted as true, its very utterance before this Commission strengthens the view that Canadian magazines should be encouraged to circulate abroad, especially in the absence of an organized Canadian information service. Canadian consumer periodicals could help the national interest by offering foreign subscriptions at domestic rates, and thus demonstrate that they recognize that their responsibilities do not end at Canada's borders.

SUMMARY

The cultural implications of periodical publishing in Canada begin with the responsibilities of publishers to writers and readers, include the questions of copyright and indexing, and embrace such broad subjects as the reporting of a Canadian viewpoint of foreign news, and the projection of Canada's national identity abroad. Many of the specific problems raised depend for their solutions on the economic health of the industry. Those that do not are, nevertheless, directly related to our inquiry under our terms of reference. All affect, in one way or another, the ability of our periodical press to add to "the richness and variety of Canadian life"; all must be considered if "the culture and unity of Canada" are to be preserved and extended.

¹ Italics *Time's*.



THE
RECOMMENDATIONS

The Commission was charged "to make recommendations to the government as to possible measures which, while consistent with the maintenance of the freedom of the press, would contribute to the further development of a Canadian identity through a genuinely Canadian periodical press."

The Commission concluded that a genuinely Canadian periodical press can only exist by assuring for Canadian publications, under equitable conditions, a fair share of domestic advertising.

The Commission, in applying its conclusions, defines a 'Canadian' periodical and makes two main recommendations:

- (1) That the deduction from income by a taxpayer of expenditures incurred for advertising directed at the Canadian market in a foreign periodical wherever printed be disallowed; and*
- (2) That the entry into Canada from abroad of a periodical containing Canadian domestic advertising be excluded under Schedule 'C' of the Customs Act.*

These recommendations and others also of importance are detailed and explained in the following pages.

RECOMMENDATIONS ON ADVERTISING

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It is clear that Canadian periodicals are denied competition on an equitable basis with foreign publications, publishing so-called 'Canadian' editions.

This Commission's aim was to establish a principle which would secure to Canadian periodicals a basis of support that would be just, effective and permanent.

DOMESTIC ADVERTISING

The Commission regards as 'domestic' advertising that which is directed to consumers in Canada. This advertising is the life-blood of periodical publishing. A periodical may have a competent management, and editorial distinction; but without advertising income to meet publication costs, such merit will become only a memory.

If we hold that a periodical press is essential to the Canadian nation, no more to be produced for us by outlanders than our statute books, then we face an inescapable choice: either our periodical press must have preserved for it enough Canadian advertising to ensure its existence, or it must be subsidized by the State.

The Commission could find no one in favour of state subsidy; it was rejected by all, including the periodical press itself, as alien to our political and economic way of life.

RESPONSIBILITY OF THE ADVERTISER

Throughout the hearings, every imaginable virtue was attributed to advertising to support a claim that as an institution it was all but sacrosanct, untouchable.

The Commission was not concerned with such claims. What is of concern is this: whether Canadians, needing their

own communications, should not accept the responsibility of supporting their own media, not the media of some foreign country.

The answer of the Commission is that such an obligation does in fact exist.

The Commission concludes:

That a nation's domestic advertising expenditures should be devoted to the support of its own media of communications.

RESPONSIBILITY OF THE PUBLISHER

The right of Canadians to their own media of communication implies that they should not be served with merely a rehash of editorial matter cheaply obtained from abroad for re-use in this country. There can be no excuse for the re-publication in Canada of periodicals which are not much more than facsimiles of those abroad. Here is something which, whatever may be said of its ethics, does not benefit the public.

The fulfillment of the true role of communications places clear responsibilities on a publisher. A foreign periodical may inform Canadians on happenings and issues abroad. But while these may also be a proper concern for the Canadian periodical, such a periodical must provide—indeed, can alone provide—a forum for Canadian affairs and Canadian points of view.

The Commission concludes:

That a nation's communications media must be aware of their responsibilities and that such media should not be used merely for the re-publication of editorial matter to support an advertising structure.

NECESSITY FOR GOVERNMENT ACTION

The Commission is convinced that the application of these two conclusions will provide Canadian periodicals with the basis of dependable support that they require. The application of such principles should not be left to be observed voluntarily by publishers and advertisers—it can only be assured by Government action.

What sort of action? The view of the Commission is that in an area as vital and sensitive as that of the press, whatever is done should be positive rather than negative, with the goal the promotion of the Canadian periodical, not the suppression of the foreign.

To this end, it has been necessary to distinguish a Canadian from a foreign periodical.

DEFINITION

OWNERSHIP: The final determination of a periodical's character is made by its owner, and the simplest and most effective test of a periodical's responsibility is the citizenship duties of its proprietor.

The Commission concludes:

That a Canadian periodical is one published in Canada, owned either by Canadian citizens or, if a corporation, by a company incorporated under the laws of Canada or of one of its provinces, and which is controlled and directed by Canadian citizens and is not a licensee of or otherwise substantially the same as a periodical owned or controlled outside Canada.

EDITING: It is evident that a Canadian publication in order to realize its responsibilities to the social, political and economic life of the nation must be edited in Canada.

The Commission concludes:

That a Canadian periodical is one edited in Canada by a staff normally resident in Canada, its typesetting (in whatever language) and its entire mechanical production must be in Canada and its publication must be from a place or places within Canada.

IMPLEMENTATION

There are only a limited number of methods available for achieving these objectives. Generally speaking, the Government can act in two ways: subvention and prevention. Each has certain inherent difficulties.

SUBVENTION

Subventions have been proposed in various forms including: free mailing privileges, tax exemptions, direct and indirect grants. All of these methods, and many more besides, have been carefully examined.

The suggestion of free postal privileges has been rejected as of little real benefit to commercial periodical publishing and in any case as out of keeping with the policy of self-sufficiency, which is traditional in our postal service.

The exemption from sales and corporate taxes is not recommended because removal of sales tax is inconsequential in its effect (it having already been done in most aspects of publishing), and removal of the corporation tax, apart from being a subsidy, would only benefit those periodicals realizing a profit.

Grants, whether direct or indirect, are considered abhorrent to press freedom.

PREVENTION

Whatever measure is to be used must, therefore, be found in prevention. It must be clearly understood that the Commission recommends *nothing which in any way might obstruct the entry to Canada of foreign periodicals not carrying Canadian advertising directed primarily at the Canadian market*. The Commission's sole aim is to prevent the placement of Canadian domestic advertising in foreign periodicals available in Canada and to discourage the use of second-hand editorial material as an enticement for advertising. These practices must be stopped; stopped effectively and permanently. Involved is the question of whether or not Canadians shall have their own periodicals.

RECOMMENDATIONS

The simplest and most direct method of dealing with the diversion of Canadian domestic advertising to foreign periodicals printed in Canada is to deny to the taxpayer the deduction as a business expense that he now enjoys for domestic advertising expenditures in a foreign periodical. Such a step may be easily administered, because the advertiser must claim the deduction.

The result of non-deductibility would be approximately to double the cost of domestic advertising in a foreign periodical wherever printed.

The Commission recommends:

That the deduction from income by a taxpayer of expenditures incurred for advertising directed at the Canadian market in a foreign periodical wherever printed be disallowed.

The most direct and effective method of ending diversion of Canadian domestic advertising to foreign periodicals entering Canada is to provide under Schedule 'C' of the Customs Act that such magazines entering Canada shall contain no advertising which on its face indicates the availability of a product or service in Canada or is otherwise primarily directed to consumers in Canada.

This method involves no interference with editorial content, no 'tax on ideas or information', no actual interference with readership preference, and, with no tax or customs duty, would have the merit of administrative simplicity.

Some classes of periodicals already appear in Schedule 'C' under Tariff Item 1218¹. The Commission is of the opinion that this item could be extended to bar the entry of foreign periodicals containing domestic advertising, whether inserted by split runs or any of their variations.

The Commission recommends:

That the entry into Canada from abroad of a periodical containing domestic advertising be excluded under Schedule 'C' of the Customs Tariff. "Domestic advertising" shall include postcards, coupons and inserts contained in a periodical and indicating the availability of a product or service in Canada.

The Commission points out that other ways also exist to prevent Canadian advertising in foreign periodicals published abroad. In this connection attention is directed to Customs Tariff Items 170, 171, 178, and 184a¹.

SUMMARY

The foregoing recommendations would prevent the diversion of Canadian advertising expenditures from Canadian periodicals. They strike at split runs, regional editions, 'Canadian' sections, 'Canadian' editions and any other techniques of diversion which exist now or may be developed in the future. They do not bear upon any Canadian periodicals and they do not affect foreign cultural, "little", consumer or business periodicals in any language unless they are used as carriers of domestic advertising.

¹ See Appendix J.

EFFECT ON PERIODICALS FROM FRANCE

The Commission knows of no periodical published in France that carries Canadian domestic advertising into Canada. Periodicals from France are not, therefore, affected for the present by the foregoing recommendations.

During the hearings, French-speaking participants were equally divided as to whether or not the Commission should treat periodicals from France in the same manner as the Customs Tariff deals with French books, that is: a general exemption from all potential restrictions. The Commission has carefully considered both points of view and has concluded that it should make no recommendations that would exempt from the foregoing recommendations any foreign periodicals which act as carriers of domestic advertising.

EFFECT ON ETHNIC PERIODICALS

As they stand, requirements of the definition of a Canadian periodical will discourage the importation of ethnic editorial material for use in support of an advertising structure. Importation of such editorial material has been the cause of the principal complaint of the ethnic press.

EFFECT ON FRENCH-LANGUAGE CANADIAN PERIODICALS

The Commission has also considered the present situation of the French-language periodical press in Canada. From this quarter allegations were heard that, with regard to French Canada, certain Canadian periodicals are engaging in the same practices as they charged against United States by-product publications.

Your Commissioners find that one of the greatest threats to the survival of the French periodical press in Canada is the manipulation of combined advertising rates to provide extraordinary discounts for advertisers using both the English and the French editions of periodicals. Several participants claimed that the combined rate reflects actual savings in sales and mechanical costs made by the publisher and passed on to the advertiser.

Used in this manner the "combined rate" becomes a sort of sales device available only to publishers uniquely situated with editions in both languages. Because virtually all the

purchasers of advertising in both languages are large companies serving predominantly English markets, their primary interest is the publisher's English edition so that the effect of a "combined rate" works against the French-language periodicals.

The Commission is of the opinion that this practice should not be allowed to continue unrestricted.

The Commission recommends:

That use of a combined rate should be prohibited by an amendment to the Combines Investigations Act.

EFFECT ON FREEDOM OF EXPRESSION

Subject always to paramount national interest, the Commission has avoided suggesting measures which limit either the freedom of expression or its corollaries: free flow of information and readership preference.

Some may claim that the statement of an ownership requirement constitutes licensing of the printing press. Such is not the case. The right to own a press and to print and distribute from it whatever is legally permissible, remains unhampered.

The Commission's sole purpose is to define those periodicals which by reason of their responsibility to, and function in, the Canadian nation, should be assisted in their access to Canadian advertising expenditures, this in keeping with the principle that the advertisement of domestic goods and services to a domestic consumer should be through a Canadian medium.

The diversion of Canadian advertising from foreign periodicals does not mean regulation of the preparation, content or free flow of their editorial material any more than it means that the reader is denied the periodical of his choice.

Finally, in its emphasis on Canadian advertising support for Canadian media, the Commission's conclusions make neither rules as to what an advertisement may contain nor regulations regarding how much may be spent in periodicals. They simply provide for the spending of money raised from the domestic consumer in support of domestic media.

The Commission was concerned lest there might exist in some minds a concept of advertising which would consider this policy a violation of some sort of right or freedom. How-

ever, competent witnesses, frequently questioned on this point, refused to support such a belief. Indeed, spokesmen for advertisers and advertising agencies stated unequivocally that a Canadian alternative exists in all forms of advertising.

It may be asked: What if domestic advertising expenditures so released go to competing media—radio, television, newspapers—and are withheld from periodicals? Your Commissioners firmly believe in the worth—and national need—of the Canadian periodical press as a medium of communication. Given the opportunity of which they are now deprived, we are convinced that Canadian magazines and business papers should be able to obtain their fair portion of advertising expenditures.

GOVERNMENT ADVERTISING

In the past, the Canadian Government has been a leader among advertisers placing domestic advertising in foreign magazines. While the enactment of the foregoing recommendations will not by itself bind the government, or the various provincial governments, your Commission hopes that a policy will be established in keeping with that required of other Canadian advertisers.

ADVERTISING IN FOREIGN PUBLICATIONS

The foregoing recommendations are not intended to affect the placing in foreign publications of advertisements directed primarily to foreign markets by advertisers in Canada.

OVERFLOW ADVERTISING

There should be no deductibility of advertising expenses incurred by advertisers in Canada for domestic advertising carried by overflow circulation. Similarly, overflow advertising redirected to a Canadian audience by the addition of cards, coupons or any other information indicating the availability of a product or service in this country should be considered as domestic advertising and subject to exclusion.

ILLEGAL ADVERTISING

Exhibits of overflow advertisements filed with the Commission make claims forbidden by Canadian legislation, such as the Food and Drugs Act and the National Housing Act. These exhibits indicate not only an inequity (in that neither can Canadian periodicals carry, nor Canadian advertisers

place, such advertising), but also a violation of laws designed for the protection of domestic consumers.

The Commission recommends:

That existing Canadian legislation be strictly enforced against illegal or fraudulent claims contained in overflow advertising circulating in Canada, and made on behalf of goods or services available in Canada.

CATALOGUE ADVERTISING

Overflow advertising should be clearly distinguished from catalogue advertising which, although it circulates periodically (usually as an annual or semi-annual) is designed solely to promote the sale of the goods or services of one company or group of companies.

At the moment catalogues sent individually enter Canada free of customs duty and sales tax. Their exemption has made possible a flood of sales literature to the serious disadvantage of Canadian merchants, whose catalogues are subject to sales tax.

The Commission recommends:

That catalogues entering Canada from abroad be subject to the same taxes and duties as other printed advertising matter.

In this, as in other recommendations concerning advertising despatched individually from abroad, it is intended that the sender prepay customs duty and sales tax.

RECOMMENDATIONS ON CIRCULATION

10

Advertising is drawn by circulation. Besides the mass of overflow advertising which they carry, foreign periodicals entering this country from abroad cause, by the mere fact of their number, severe difficulties for Canadian periodicals. Filling the stands, flooding the Canadian mails—they challenge Canadian publishers to produce an article with an appearance, quality and price competitive with that produced from a much larger and wealthier economy.

Overflow circulation of foreign periodicals exceeds 150 million per year, compared with a domestic production of barely 45 million per year; in consumer periodicals alone, over 500 different magazines cross our borders, compared with barely 40 Canadian titles.

The domestic publisher can find his best defence in Canadian content but editorial quality cannot be maintained without advertising revenues.

Overflow circulation shows that Canadians want the editorial diversity of foreign publications. Any legal impediment to their natural circulation might be interpreted as trespassing upon fundamental rights.

CIRCULATION PROMOTION

The promotional practices of certain foreign publishers in this country cause serious difficulty to Canadian publishers. With increasing regularity, circulation wars break out among American publishers. The Canadian publishers find themselves in a battle not of their own choosing, in a league they can ill afford. More often than not the result is that each retains his old relative position.

By far the largest part of the promotion carried on in this country by foreign periodicals is through use of printed matter produced abroad. It is obtained at marginal cost from similar campaigns conducted in the United States and sent into Canada, with or without alterations to give it a local flavour.

This practice can only be expected to become more common as a result of recent decreases in the American third class postal rate for Canadian delivery.

An impediment to promotional advertising from abroad once existed in the form of paragraph 3 of Tariff Item 178, but the application of this provision has been largely avoided by the addition, for administrative purposes, of a fifth, exempting paragraph¹.

From a purely administrative point of view this exemption may have been justifiable in its time. However, its economic effects and wider implications on the Canadian periodical press have proved to be injurious.

The Commission recommends:

That paragraph 5 of Tariff Item 178 be repealed.

Promotional advertising gains a great deal in effectiveness and appeal from the use of Canadian business-reply cards or envelopes. At present, substantial quantities of these are being printed abroad and enclosed with material designed, printed and mailed outside Canada. Their effect is greater because of their Canadian disguise.

The Commission recommends:

That the privilege of business reply cards and envelopes be extended only when the promotional material which they accompany is prepared and mailed in Canada.

POSTAL DISTRIBUTION

Periodicals do not carry the full cost of delivery because it is believed to be in the national interest that there be the widest possible distribution of periodicals and newspapers.

The loss to the Canadian Post Office on publishers' second class mail has been increasing steadily:

¹ See Appendix J.

1948	\$ 7,460,689
1952	\$13,603,326
1956	\$17,193,444
1960	\$22,703,608

A very large part of this deficit can be attributed to the delivery in Canada of periodicals mailed from abroad.

FOREIGN SECOND CLASS MAIL

The Canadian Post Office receives no revenue from the delivery of foreign second class mail because, under the terms of the Universal Postal Convention, all governments are required to handle free of charge whatever is passed to them by foreign post offices. The foreign post office retains whatever payment is made for the service.

The arrangement is reciprocal and therefore, in theory, equitable. Experience has shown, however, that between Canada and the United States theory fails completely in practice. Canadians receive far more second class matter from abroad than they send abroad.

In the past, such imbalances have arisen between Canada and the United States in the carriage of parcels and air mail, and led to the negotiation of 'Terminal Payments' to compensate the Canadian Post Office for the loss involved. The same situation has existed for some time in second class mail. It is estimated that nearly \$6 million of the 1960 deficit in second class operations resulted from American publications mailed and postage paid in the United States.

The Commission recommends:

That, in the matter of second class mail, the United States be asked for compensation in the form of terminal payments.

The Commission is aware of the 1961 Canada-United States Postal Convention but while the convention will perhaps ameliorate the present situation indirectly, it fails to grapple with the fundamental problem: an imbalance between what is paid for and sent in the United States, and what is delivered not paid for in Canada.

The effect of the convention is indirect in that, by resulting in a higher rate for second class mail posted in the United States, fewer publications will be despatched to Canada through the international mails. The convention does not

provide for greater income to the Canadian Post Office.

It is, however, possible for the Canadian Post Office to benefit materially from the increased rate in the United States.

The deficit on second class delivery of foreign periodicals is an old story. Since as far back as 1908, the Post Office Department has encouraged foreign publishers to mail their periodicals in this country by offering advantageous rates. Without legislative foundation, this 'Mailing in Canada' privilege permits foreign publishers, when authorized by the Department, to forward bulk shipments of their publications to representatives at some of the larger centres in this country for mailing to their Canadian subscribers.

The rate must be sufficiently below the foreign rate to allow for the cost of bulk shipment and still permit some financial gain. A Canadian rate so high as to end this advantage would result in the Canadian Post Office carrying the publications free.

With the increased rates for mailing from the United States, it is possible for the Canadian Post Office to raise its rates to re-establish that balance.

In 1960, 55 foreign periodicals, approximately 40 million copies, were delivered through the 'Mailing in Canada' privilege, bringing to the Canadian Post Office nearly \$900,000 in revenue which, had they been sent from the United States, would not have been collected by our Post Office. But the estimated cost of delivering these items was more than twice the amount paid by the foreign publishers.

It is important to realize that the 'Mailing in Canada' rate is not the same as the domestic publishers' rate. It lacks any legislative recognition. It is an extension, by regulation, of the domestic news dealers' mailing rate, and in all cases nearly twice as high as the domestic publishers' rate. As its name implies, it is a privilege—separate and distinct from domestic publishers' second class rates—from which its tariff is wholly independent.

The Commission recommends:

That the 'Mailing in Canada' privilege, recognized as a distinct rate, be increased to that degree which will remain competitive with foreign second class postal rates.

The Commission would go further and abolish local delivery rates, which are higher than other second class rates

and apply to those periodicals sent to subscribers and news-dealers in the same locality as the publisher. These affect only Canadian publishers, and, in fact, favour foreign publishers.

The Commission recommends:

That local delivery rates on second class mail be repealed.

The privilege of second class rates must be extended restrictively, especially with a view to ensuring that they are not used for advertising material which should go third class. This necessity is recognized by regulation. The maximum advertising content permissible for any type of publication enjoying second class rates is 70 per cent.

In practice most periodicals average about 55 per cent and only a few exceed 60 per cent. By the time they exceed two-thirds in advertising content, they virtually become catalogues—and, as such, should be subject to third class rates.

Even the present maximum is sometimes exceeded by confusing reading matter and advertising. In this way, both postal authorities and readers find it difficult to distinguish between what the publisher says of his own accord and what he has been paid to say. Whether from the administrative or ethical point of view, the practice is entirely inconsistent with the privilege of second class postal rates.

The Commission recommends:

That editorial or other reading matter contained in publications entered as second class mail and for the publication of which a valuable consideration is paid, accepted or promised, shall be marked plainly "Advertisement" by the publisher.

The postal regulations on second class mail advertising content are not the only regulations sometimes circumvented by advertisers. There is, for instance, The Marking of Imported Goods Order, which stipulates that the imprint identifying country of origin must be in a conspicuous position and in legible type, and that it must not be covered or obscured by subsequent attachments or arrangements.

Exhibits filed with the Commission clearly indicate that material is circulating in Canada without imprint or with the imprint so small and inconspicuous as to be almost illegible.

'Canadian' souvenirs, sales periodicals and other forms of literature and advertising have been admitted despite the regulations and often have been appraised at very low and unrealistic values.

The Commission recommends:

That The Marking of Imported Goods Order and the tariff items with which it is associated be strictly and realistically enforced.

CULTURAL AND LITTLE MAGAZINES

The worth to Canada of cultural and "little" magazines has been dealt with in a separate chapter. There it is made clear that by their very nature they are deprived of advertising profits and must depend for their revenues—if any—on their readers and private subsidy.

The Commission feels that, as in the case of rural newspapers, they should be given special assistance with their circulation.

Rural newspapers, whether weekly, fortnightly or monthly, when published in any place with a population of not more than 10,000, enjoy free postage to the extent of a circulation of 2,500 copies to regular subscribers and newsdealers residing within a distance of 40 miles from the place of publication.

The Commission recommends a like treatment for cultural and "little" magazines, but in a way to meet different conditions as to circulation. Where the country weekly finds its audience locally by its peculiar regional appeal, the cultural or "little" magazine must find its audience nationally by a broader appeal. Postal privileges granted to cultural and "little" magazines should, therefore, extend across Canada to a larger circulation.

Also, as with Canadian commercial periodicals, there are good grounds for assisting the cultural and "little" periodicals in soliciting subscriptions by sending out sample copies to prospective readers. The same reasons apply to both, with the additional consideration for the "little" magazines that their circulation procurement is more difficult than that of

the commercial periodicals; their readers are fewer and farther apart, not as easily found and harder to convince.

The Commission recommends:

That non-profit cultural and "little" magazines carrying less than one-third advertising content be granted free mailing privileges throughout Canada for their first 5,000 copies per issue and for authorized sample copies.

NEWSSTAND DISTRIBUTION

Newsstand sales bring greater net return per copy to the publisher, as a rule, than do mail subscriptions. They introduce a periodical to the public.

Some publications do not, as a rule, get the best display on the newsstands, but the situation is not such that it requires interference with rights of property or readership preference.

Canadian magazines will always have a place on newsstands, if only because of their unique national flavour. If the Canadian publishers have not already done so, it might be well for them to explore the possibility of organizing a co-operative distribution agency.

CONCLUDING REMARKS

The Commission here recapitulates the facts, basic assumptions and judgments underlying its recommendations.

The Commission has not tried to equate the preservation of our periodical press with the life of the State itself; Adam Smith's saying that there is a lot of ruin in a nation seemed to us applicable here. Its approach to its task, to repeat it briefly, was that if there be acceptance of the fact that Canadian periodicals "contribute to the development of a Canadian identity", then responsibility must rest upon us all to see to it that such periodicals do not disappear and, least of all, disappear through unfair competition from foreign publications, when this situation could be corrected effectively with justice.

This, and this only, is what the Commission's recommendations mean.

NO SANCTUARY FOR MEDIOCRITY

Recommending to this end—the elimination of unfair and perhaps ruinous competition—the Commission has no desire to create a protected haven or storm shelter for Canadian periodicals, and least of all a sanctuary for mediocrity. Its sole aim is to secure a climate of competition in which Canadian publications now serving Canada worthily, and other publications which may come later to serve Canada worthily, shall have a chance to survive. And the Commission assumes that any rights or safeguards thus justly granted to Canadian publications shall be regarded by them as in the nature of a bilateral contract—a contract implying responsibilities on both sides and not something merely to be equated with a balance sheet.

THE CANADIAN POINT OF VIEW

The principle that Canadian advertising expenditures should go to Canadian media is founded on the necessity of Canadian communications—not necessarily as a source of profit but as a source of national news and views. Having been assured financial support, it remains the Canadian publisher's responsibility to ensure that his publication does indeed express what it alone can express.

The Commission considered a requirement of Canadian editorial content, meaning that a Canadian periodical should devote a stated amount of its editorial space to the Canadian scene. That the matter was dropped, was due in part to manifest difficulties in enforcement, but more largely out of respect for the widest possible interpretation of press freedom.

The Commission, we repeat here, proposes nothing which impinges in any way whatsoever upon press freedom, nor upon reader preference, nor which by any stretch of the imagination can be called censorship. No foreign magazine entering Canada will be subjected to interference with its editorial content. Only when, for additional profit, it changes from what it was at its publication source and makes itself into a vehicle or packaging device for bringing advertising into Canada, specifically directed to Canadians, will it be touched.

ANTI-AMERICANISM AND ULTRA-NATIONALISM

Nor was the Commission, in arriving at its recommendations, influenced in any way by a spirit of anti-Americanism or of Canadian ultra-nationalism. As set forth in this Report's introductory chapter, the Commission throughout its hearings condemned openly all such manifestations, believing that a Canadian periodical press given to a narrow, bigoted nationalism would not be worth salvation. The only aim was to preserve for Canada publications essential to her existence as a distinctive entity.

The Commission feels confident that the people of the United States, reading the facts as we have presented them, will agree that their country, placed in Canada's circumstances, would not hesitate to take the measures which we recommend for Canada.

OTHER PROBLEMS

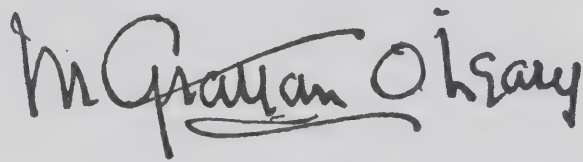
Other problems facing periodicals, some of them perhaps inseparable from the modern role of communications, were placed before

us: Competition between periodicals and other media, the demands of technological advances, the lack of uniformity in provincial laws in such fields as liquor advertising, the facilities for Canadian information abroad, our copyright laws as they affect Canadian writers, and other matters of like concern.

The Commission's view is that some of these problems must be left to individual responsibility in the workings of a free society, with the hand of the State avoided wherever possible, and that others, whatever their merit, could hardly be considered within the letter of our terms of reference.

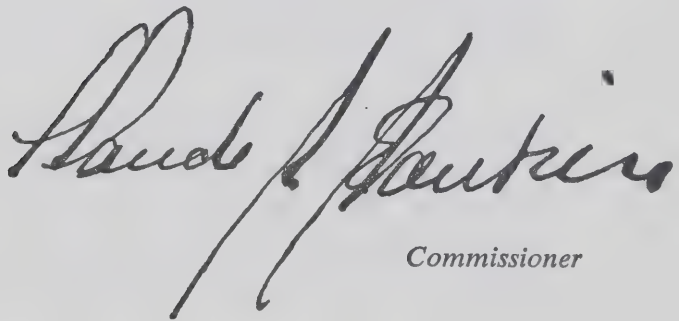
To make an end, the Commission, working within its terms of reference, has been much aware that it has been dealing with a national problem. It ventures to suggest that whatever measures are adopted be left intact, this not only as a safeguard of their effectiveness, but because it is unlikely that the problems they are designed to meet will soon again secure a hearing as thorough as they have received from this Commission.

ALL OF WHICH WE RESPECTFULLY SUBMIT
FOR YOUR EXCELLENCY'S CONSIDERATION

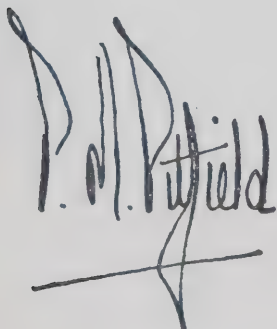


Chairman

May 25, 1961



Commissioner



Secretary



*Commissioner**

* The Commission is unanimous in this, its Report, but Commissioner Johnston has signed subject to some observations which follow immediately.

Supplementary Observations by

COMMISSIONER JOHNSTON

on the position of TIME, READER'S DIGEST, AND MACLEAN'S

I have decided that there should be, as part of the report, a more specific discussion of the position of the three main participants, in order that the reader may be more completely informed of the facts and reasoning therefrom which enabled me to concur wholeheartedly in the recommendations. The comments and opinions are entirely my own.

The claim that *Time* was truly Canadian in "all essential respects" was made by that publication's representative in the original submission heard by the Commission on November 16 and subsequently, particularly in the submissions of witnesses before the Commission on January 17.

But the question of *Time's* position as a "Canadian" magazine was cleared up in the hearing on January 17, when Mr. Henry Luce, (the head of the *Time-Life* enterprises) said "I may be in some disagreement with my colleagues. . . . I do not consider *Time* a Canadian magazine."

Time in its first brief claimed to be a part of the Canadian magazine industry, which, it contended, was flourishing. Figures adduced later in the proceedings show that in this "Canadian magazine industry" the only ones of general circulation or "consumer magazines" that were flourishing were *Time* and *Reader's Digest*. The several strictly Canadian publications either were barely breaking even or were showing a direct loss.

"The question of profit depends on management." Anyone knowing the history of the magazine industry in Canada would inevitably come to the conclusion that in some instances management had been less capable and vigorous than would have been desirable from the point of view of the owners of the publications and, probably, the country at large.

This indisputable fact does not make less desirable action by government which would restore or establish equitable competition. Inequitable competition consists of encroachment into the field of Canadian advertising-selling by organizations using vastly greater resources than any strictly Canadian enterprise could or would use in development of native Canadian magazines.

✓ Magazines, like all publications, are sold to subscribers and newsstand customers for their editorial or news content. Reading of advertisements in publications is incidental to the reading of the news and editorial material. It follows that the more attractive the reading material, the greater the circulation, and the greater the circulation the greater the appeal of the publication to advertisers and their agents. News magazines as developed in the United States are expensively prepared and produced. The publications of which *Reader's Digest* is the outstanding example also (like *Time*) have an editorial advantage over Canadian publications in that their extraordinarily expensive material is available to all the subsidiary publications at a fraction of their original cost. In the case of *Reader's Digest* the cost to the 'Canadian' edition is apparently less than 5 per cent.

But, *Reader's Digest* did not and does not claim to be a Canadian publication. And, therefore, it should be treated under Canadian law on exactly the same basis as would other foreign publications freely entering Canada for the interest and information of their Canadian subscribers.

✓ *Time* made the argument that its presence in the Canadian advertising field promoted magazine advertising generally and, therefore, was of indirect assistance to home-grown Canadian publications. The difficulty with this argument is that if one Canadian publisher and two non-Canadian publishers in the general magazine field obtained most of the revenue (other than *Weekend* and *Star Weekly*) there is little left over for smaller Canadian magazines.

A restoration of equitable competition would leave to the Canadian magazine industry an opportunity to get a share of the revenue. As was said in another connotation, "Not even the biggest of the giants in advertising can afford to use all advertising media. Even they face limitations of budget."

✓ The argument for continuing to allow outside publications to advertise Canadian products to Canadian consumers would seem to fail also on the fact that there is only so much advertising money to go around.

It is beyond dispute that a great many Canadians read *Time*. And it has a substantial appeal, particularly with regard to departments dealing with arts, sports and other features outside the general run of news. The recommendation of the Commission, if adopted by the Government, will not prevent Canadians from continuing to read *Time* if they wish, nor prevent *Time* from continuing if it wishes to produce an edition particularly designed to appeal to Canadians.

MACLEAN-HUNTER PUBLISHING COMPANY LIMITED

There is one Canadian periodical publishing company that in assets, earnings, number of publications and financial strength is far ahead

of any other in the Canadian field. This is the Maclean-Hunter Publishing Company Limited. Its most profitable publication is *The Financial Post*, but a large number of the smaller trade papers, or business papers, also contribute to the over-all earnings and stability of the enterprise.

This company operates its own printing plant, a very large one. It owns a new office building on University Avenue in Toronto and other real estate.

A conservative estimate of the value of the property or its replacement cost would be above \$15,000,000. There is no debt. Control is in the Hunter family. Principal employees have some of the common stock. There is a preferred stock issue of \$347,000, much of which is owned by the Presbyterian Church in Canada, having been left to that organization by the late Colonel John Bayne Maclean, founder of the enterprise.

J. B. Maclean was a very junior employee of a Toronto daily newspaper when he established, in 1887 with extremely limited capital, his first publication, *Canadian Grocer*, and also acquired and gradually built up a printing department.

Dividends paid by Maclean-Hunter Publishing Company have been moderate. It has been the policy to plow back earnings, and when expansion opportunities came the company was able to take advantage of them.

The company has also operated on a principle of incentive for executives with the result that it has the reputation of being an alert, forward-looking and ambitious enterprise. With this reputation of competitiveness there seems no doubt that other organizations seeking to maintain their position in or enter fields in which Maclean-Hunter is established would find the going difficult.

If one believes in the free enterprise system (which all of the Commissioners do) it is not reasonable to complain about the success of this Canadian company. Its dominance is not accidental and it would be unreasonable to advocate restrictions that would prevent the continuance of this enterprise as long as it competes fairly and honestly.

What has been said has had to do with the financial and business papers of this company. A review of the condition of its consumer magazines reveals a quite different situation.

These three publications—*Maclean's Magazine*, *Chatelaine*, and *Canadian Homes*—would not likely survive under other ownership if that other ownership were unable to carry the losses. These three magazines together, or any one of them separately, would under present circumstances be quickly in financial trouble and especially if they did not own their own printing establishment and other facilities of produc-

tion. Maclean-Hunter has a substantial portion of its investment in printing machinery. One of its officers testified that if this printing department did not have the job of printing these magazines, the overall loss on the consumer magazines operation would be greater because there would be idle equipment in which there is a large investment.

In view of the history of this company and its outstanding success in the field of trade papers, financial papers and its printing establishment, the Commission was concerned lest a recommendation for improving the climate for Canadian periodical publishing could be construed as a recommendation mainly for the benefit of this one large and successful company.

The president of the company freely admitted that, in the event that foreign magazines now selling advertising in the Canadian market were prevented from doing so, he hoped that his company would get a substantial part of the \$8,000,000 or \$9,000,000 that, on the surface, would be available for Canadian publications or other advertising media.

None of the Commissioners had any wish to make recommendations promoting a monopoly in any field of business.

Maclean-Hunter, with its consumer magazines dominant in the Canadian market, could live with a situation whereby 41 per cent of the available money for advertising in consumer magazines was going to two publications owned outside the country. Maclean-Hunter now has a little over 46 per cent of that market, leaving less than 13 per cent for all the other consumer publications in Canada. If the present situation continues, the other consumer publications are likely either to disappear or be inhibited in their growth. *It is clear that a failure to do something to restore equitable competition in this field of publication would result in greater dominance by Maclean-Hunter than would be the case if other publications had a better chance to make progress.* There are probably a dozen small or moderate-sized consumer publications and it could be hoped that, if conditions of competition could be improved, new publications could be started, maintained, and flourish.

So the position as the Commissioners see it is that continuance of the *present situation would in the future further the preeminent position of Maclean-Hunter*, whereas the elimination of inequitable competition would help the existing small publications and make less foolhardy new ventures into this highly competitive field, a field of endeavour of importance to Canadians in general.


Commissioner.

SUMMARY OF RECOMMENDATIONS

CANADIAN PERIODICALS

Definition

The Commission concludes: That a Canadian periodical is one published in Canada, owned either by Canadian citizens, or, if a corporation, by a company incorporated under the laws of Canada or of one of its provinces, and which is controlled and directed by Canadian citizens and is not a licensee of, or otherwise substantially the same as, a periodical owned or controlled outside Canada.

The Commission concludes: That a Canadian periodical is one edited in Canada by a staff normally resident in Canada, its type-setting (in whatever language) and its entire mechanical production must be in Canada and its publication must be from a place or places within Canada.

Advertising

The Commission concludes: That a nation's domestic advertising expenditures should be devoted to the support of its own media of communications.

The Commission concludes: That a nation's communications media must be aware of their responsibilities and that such media should not be used merely for the republication of editorial matter to support an advertising structure.

The Commission recommends: That use of a combined rate should be prohibited by an amendment to the Combines Investigation Act.

The Commission recommends: That editorial or other reading matter contained in publications entered as second class mail, and for the publication of which a valuable consideration is paid, accepted or promised, shall be marked plainly "Advertisement" by the publisher.

Circulation

The Commission recommends: That local delivery rates on second class mail be repealed.

The Commission recommends: That non-profit cultural and 'little' magazines carrying less than one-third advertising content be granted free mailing privileges throughout Canada for their first 5,000 copies per issue and for authorized sample copies.

SUMMARY OF RECOMMENDATIONS (*Concluded*)

FOREIGN PERIODICALS

Definition

The Commission concludes: That a Foreign periodical is one which does not meet all the requirements of a 'Canadian' periodical.

Advertising

The Commission recommends: That the deduction from income tax by a taxpayer of expenditures incurred for advertising directed at the Canadian market in a foreign periodical, wherever printed, be disallowed.

The Commission recommends: That the entry into Canada from abroad of a periodical containing domestic advertising be excluded under schedule 'C' of the Customs Tariff. "Domestic advertising" shall include postcards, coupons and inserts contained in a periodical and indicating the availability of a product or service in Canada.

The Commission recommends: That existing Canadian legislation be strictly enforced against illegal or fraudulent claims contained in overflow advertising circulating in Canada, and made on behalf of goods or services available in Canada.

The Commission recommends: That catalogues entering Canada from abroad be subject to the same taxes and duties as other printed advertising matter.

Circulation

The Commission recommends: That the Marking of Imported Goods Order and the Tariff Items with which it is associated be strictly and realistically enforced.

The Commission recommends: That paragraph 5 of Tariff Item 178 be repealed.

The Commission recommends: That the privilege of business reply cards and envelopes be extended only when the promotional material which they accompany is prepared and mailed in Canada.

The Commission recommends: That in the matter of second class mail, the United States be asked for compensation in the form of terminal payments.

The Commission recommends: That the 'Mailing in Canada' privilege, recognized as a distinct rate, be increased to that degree which will remain competitive with foreign second class postal rates.

APPENDICES

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ORDERS IN COUNCIL

P.C. 1960-1270

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 16th September 1960.

The Committee of the Privy Council have had before them a report from the Right Honourable John G. Diefenbaker, the Prime Minister, representing:

That Canadian magazines and periodicals add to the richness and variety of Canadian life and are essential to the culture and unity of Canada; and

That it has been alleged that because of inequitable competition from foreign periodicals of various forms the publication of Canadian magazines has been prejudicially affected.

The Committee, therefore, on the recommendation of the Prime Minister, advise that:

M. GRATTAN O'LEARY, ESQUIRE,
of the City of Ottawa,

JOHN GEORGE JOHNSTON, ESQUIRE,
of the City of Toronto, and

CLAUDE P. BEAUBIEN, ESQUIRE,
of the City of Montreal

be appointed Commissioners under Part 1 of the Inquiries Act

- (a) to inquire into and report upon the recent and present position of and prospects for Canadian magazines and other periodicals with special but not exclusive consideration being given to problems arising from competition with similar publications which are largely or entirely edited outside of Canada or are largely or entirely foreign in content; and
- (b) to make recommendations to the Government as to possible measures which, while consistent with the maintenance of the freedom of the press, would contribute to the further development of a Canadian identity through a genuinely Canadian periodical press.

The Committee further advise:

1. That the Commissioners be authorized to exercise all the powers conferred upon them by section 11 of the Inquiries Act and be assisted to the fullest extent by government departments and agencies;
2. That the Commissioners adopt such procedures and methods as they may from time to time deem expedient for the proper conduct of the inquiry and sit at such times and at such places in Canada as they may decide from time to time;
3. That the Commissioners be authorized to engage the services of such counsel, staff and technical advisers as they may require at rates of remuneration and reimbursement to be approved by the Treasury Board;

4. That the Commissioners report to the Governor in Council with all reasonable despatch, and file with the Dominion Archivist the papers and records of the Commission as soon as reasonably may be after the conclusion of the inquiry; and

5. That Mr. M. Grattan O'Leary be Chairman of the Commission.

(Sgd.) R. B. BRYCE
Clerk of the Privy Council.

P.C. 1960-1352

AT THE GOVERNMENT HOUSE AT OTTAWA

SATURDAY, the 1st day of OCTOBER, 1960

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

His Excellency the Governor General in Council, on the recommendation of the Prime Minister, is pleased hereby to appoint Michael Pitfield, Esquire, of the City of Montreal, Province of Quebec, to be Secretary of the Commission appointed pursuant to Order in Council P.C. 1960-1270 of 16th September, 1960, to enquire into the position of and prospects for Canadian magazines and other periodicals.

Certified to be a true copy

(Sgd.) R. B. BRYCE
Clerk of the Privy Council.

COMMISSION OF APPOINTMENT

(Sgd.) "P. Kerwin"
DEPUTY GOVERNOR GENERAL
CANADA

(Sgd.) "E. A. Driedger"
DEPUTY ATTORNEY GENERAL
CANADA

ELIZABETH THE SECOND, by the Grace
of God of the United Kingdom, Canada
and Her other Realms and Territories
QUEEN, Head of the Commonwealth,
Defender of the Faith.

TO ALL TO WHOM these Presents shall come or whom the same may in any-
wise concern,

GREETING:

WHEREAS pursuant to the provisions of Part 1 of the Inquiries Act, chapter 154 of the Revised Statutes of Canada, 1952, His Excellency the Governor in Council, by Order P.C. 1960-1270 of the sixteenth day of September, in the year of Our Lord one thousand nine hundred and sixty, a copy of which is hereto annexed, has authorized the appointment of Our Commissioners therein and hereinafter named to

- (a) inquire into and report upon the recent and present position of and prospects for Canadian magazines and other periodicals with special but not exclusive consideration being given to problems arising from competition with similar publications which are largely or entirely edited outside of Canada or are largely or entirely foreign in content; and
- (b) make recommendations to the Government as to possible measures which, while consistent with the maintenance of the freedom of the press, would contribute to the further development of a Canadian identity through a genuinely Canadian periodical press,

and has conferred certain rights, powers and privileges upon Our said Commissioners as will by reference to the said Order more fully appear.

NOW KNOW YE that, by and with the advice of Our Privy Council for Canada, We do by these Presents nominate, constitute and appoint M. Grattan O'Leary, Esquire, of the City of Ottawa, in the Province of Ontario; John George Johnston, Esquire, of the City of Toronto, in the Province of Ontario; and Claude P. Beaubien, Esquire, of the City of Montreal, in the Province of Quebec, to be Our Commissioners to conduct such inquiry.

TO HAVE, hold, exercise and enjoy the said office, place and trust unto the said M. Grattan O'Leary, John George Johnston and Claude P. Beaubien, together

with the rights, powers, privileges and emoluments unto the said office, place and trust of right and by law appertaining during Our Pleasure.

AND WE DO hereby authorize Our said Commissioners to adopt such procedure and methods as they may from time to time deem expedient for the proper conduct of the inquiry and sit at such times and at such places in Canada as they may decide from time to time.

AND WE DO hereby authorize Our said Commissioners to engage the services of such counsel, staff and technical advisers as they may require at rates of remuneration and reimbursement to be approved by the Treasury Board.

AND WE DO hereby require and direct Our said Commissioners to report their findings to Our Governor in Council with all reasonable despatch and file with the Dominion Archivist the papers and records of the Commission as soon as reasonably may be after the conclusion of the inquiry.

AND WE further appoint M. Grattan O'Leary, Esquire, to be Chairman of Our said Commissioners.

IN TESTIMONY WHEREOF We have caused these Our Letters to be made Patent and the Great Seal of Canada to be hereunto affixed.

WITNESS:

The Honourable Patrick Kerwin, Chief Justice of Canada and Deputy of our Trusty and Well-beloved Major-General George Philias Vanier, Companion of Our Distinguished Service Order upon whom We have conferred Our Military Cross and Our Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

AT OTTAWA, this Twenty-seventh day of September in the year of Our Lord one thousand nine hundred and sixty and in the ninth year of Our Reign.

BY COMMAND,

(Sgd.) "C. STEIN"

Under Secretary of State.

THE COMMISSION

MEMBERS M. GRATTAN O'LEARY (*Chairman*)

J. GEORGE JOHNSTON

CLAUDE P. BEAUBIEN

STAFF

SECRETARY: P. MICHAEL PITFIELD

RESEARCH DIRECTOR: SIDNEY ROXAN

RESEARCH ECONOMIST: PETER M. CORNELL

FINANCIAL CONSULTANT: JAMES M. DUNWOODY, C.A.

AUDITOR: C. BRUCE MAGEE, C.A.

RESEARCH STATISTICIAN: LEONARD S. EVANS

RESEARCH ASSISTANT: H. G. HOWITH

ADMINISTRATIVE OFFICER: GORDON H. QUINN

LIST OF HEARINGS, PARTICIPANTS,
PUBLICATIONS AND EXHIBITS

Hearings			Appearance		Exhibit	
Location	Date	Participant	Transcript		Number	Description
			Volume	Pages		
1960						
Ottawa	Nov. 14	Secretary of Commission.	1	2-3	O-1	P.C. 1960-1270 Order in Council Appointing Commission.
Ottawa	Nov. 14	Secretary of Commission.	1	4-7	O-2	Film 98, Document 163. Reference 163102 Commission of Appointment.
Ottawa	Nov. 14	Secretary of Commission.	1	7	O-3	P.C. 1960-1352 Order in Council Appointing Commission Secretary.
Ottawa	Nov. 14	Periodical Press Association C. J. Laurin, President. G. Mansfield — Manager.	1	9-90	O-4	Copies of the following magazines: (1) Newsweek — Oct. 17, 1960. (2) Good Housekeeping — Oct. 1960. (3) Ladies Home Journal — Oct. 1960. (4) Look — Oct. 25, 1960. (5) Look — July 5, 1960. (6) Look — July 17, 1960. (7) Look — June 7, 1960. (8) Look — Dec. 8, 1960. (9) McCalls — Oct., 1960. (10) Saturday Evening Post — Feb. 27, 1960. (11) Saturday Evening Post — Oct. 22, 1960. (12) Saturday Evening Post — Oct. 29, 1960. (13) Saturday Evening Post — Dec. 12, 1960. (14) Life — Oct. 17, 1960.
					O-5	Coloured Rate Chart re: Postal Rates, USA.

Hearings		Appearance			Exhibit	
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue	Transcript Volume Page
Ottawa	Nov. 14	Periodical Press Association. (Contd.)				
					O-6	Copies of the following magazines: (1) True—July 1960. (2) True—Aug., 1960. (3) True—Oct., 1960. (4) Argosy—July, 1960. (5) Argosy—Aug., 1960. (6) Argosy—Oct., 1960.
					O-7	Submission.
					O-8	Advertising Clippings re: Overflow Advertising.
					O-9	Research Material on the magazine situation in Canada, Appendix to Submission.
					O-10	Advertising Lineage and Gross Advertising Revenue in Canada (1947-1959). Statement showing total advertising by the Federal Government in Canadian magazines reporting to the Canadian Magazine Advertising Summary—1955 to 1959.
Ottawa	Nov. 14	Graphic Arts Industries Association David Maclellan—General Manager. W. K. G. Savage—President, Employing Printers Association of Montreal. Maurice Gillet—Past President of French Association of Employing Printers. Jean Gillet—Manager of the French Association of Employing Printers of Montreal.			1	91-106 O-11 Submission.

Hearings			Appearance		Exhibit		
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript Volume Page	Number Description
Ottawa	Nov. 15	Graphic Arts Industries Association Brigadier G. S. N. Gostling—President.				2 1-18	O-12 Miscellaneous Pamphlets. O-13 Album of photographs, re: book store.
Ottawa	Nov. 15	Business Newspaper Association J. J. Wallace—Chairman. J. L. Craig—President. J. A. Daly—Past President. M. Christie—Past President.				2 19-103	O-14 Submission.
Ottawa	Nov. 15	Periodical Press Association C. J. Laurin—President.				2 104	O-15 Photostat, re: Postal Union Mail-Rates and Conditions.
Ottawa	Nov. 15	Maclean-Hunter Publishing Company Floyd S. Chalmers—President. Donald F. Hunter—Vice-President and Managing Director. D. G. Campbell C.A.—Vice President, Finance. Royd E. Beamish—Assistant to the President.	Consumer Publications Canadian Homes Chatelaine Maclean's Chatelaine—La Revue Moderne Business Publications Building Supply Dealer Canadian Baker Canadian Grocer Canadian Jeweller Canadian Paint and Varnish Drug Merchandising Food in Canada Hardware Merchandising L'Epicier National Builder Photo Trade Le Pharmacien Le Quincaillier Canadian Industrial Photography	M M F M M M M M M M M M M M M M M M M M Q	129,373 745,589 505,195 103,488 6,050 3,346 14,403 3,588 3,462 5,038 6,327 8,680 6,420 15,806 6,795 2,667 4,169 6,291	2 105-181	O-16 Submission. O-17 Copy of book—"Maclean's Canada" O-18 Copy of book—"Karsh and Fisher see Canada". O-19 List of Awards won by Maclean-Hunter Publications. O-20 Statement on United States Postal Rates. O-21 Financial Data: Maclean-Hunter Publishing Co. Ltd. Return on Net Assets 1955-1959. Return on Sales 1955-1959.

Hearings		Appearance			Exhibit			
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript		Description
						Volume	Page	
			Canadian Advertising	B	2,784			
			Canadian Electronics Engineering	M	8,591			
			Canadian Hotel Review and Restaurant	M	18,079			
			Canadian Machinery and Metal Working	M	6,672			
			Canadian Packaging	M	7,165			
			Canadian Printer and Publisher	M	5,042			
			Canadian Shipping & Marine Engineering News	M	2,570			
			Canadian Stationer & Office Equipment Dealer	M	3,977			
			Design Engineering	M	6,638			
			Electrical Contractor and Maintenance Supervisor	M	10,929			
			Heating and Plumbing Engineer	M	13,615			
			Modern Power and Engineering	M	9,788			
			Modern Purchasing	M	7,532			
			Office Equipment and Methods	M	13,296			
			Progressive Plastics	M	7,263			
			Bus and Truck Transport in Canada	M	12,185			
			Canadian Automotive Trade	M	30,167			
			Canadian Aviation	M	7,808			
			Civic Administration	M	13,563			
			Men's Wear of Canada	M	4,286			
			Plant Administration	M	7,621			
			Style	F	10,834			
			Home Goods Retailing	F	13,139			
			Materials Handling in Canada	M	7,039			
			The Financial Post	W	87,311			
			Marketing	W	6,879			
			Heavy Construction News	W	8,776			

Hearings			Appearance			Exhibit		
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript		Description
						Volume	Pages	
Ottawa	Nov. 16	Business Newspapers Association J. J. Wallace — Chairman.				3	2	Copy of MD Magazine — Apr. 1960.
Ottawa	Nov. 16	Consolidated Press Limited Mr. Arnold Edinborough — Editor Saturday Night.	Consumer Publications Liberty Saturday Night	M F	588,198 75,439	3	2-45	Submission. Copy of Saturday Night Magazine — July 23, 1960. Statement showing operations for "Saturday Night" and "Liberty" (1955-1959). Statement showing operations over a five year period, up to 1958 for "Canadian Home Journal". Statement showing operations for "Saturday Night" (1955-1959). Memoranda to Jack Kent Cooke from Tom Alderman re: Liberty previews.
Ottawa	Nov. 16	Time International of Canada Mr. L. E. Laybourne — Manag- ing Director. Mr. E. Baker — Vice-President. Mr. B. Gundy — Advertising Manager. Mr. deWolfe MacKay, Q.C. — Counsel.	Consumer Publications Time	W	210,697	3	46-125	Submission. Copy of Magazine Publishers Asso- ciation "Paper Committee Report" — May 8, 1960. Copy of Standard Rate and Data Service Incorporated.
Ottawa	Nov. 17	Time International of Canada (Conf'd.)				4	1-18	Copy of New York Times maga- zine — Nov. 13, 1960†
Ottawa	Nov. 17	Reader's Digest Association of Canada E. Paul Zimmerman — President. J. Kenneth Davey — Vice- President and Secretary Treasurer. John L. O'Brien — Director and Counsel.	Consumer Publications Reader's Digest Sélection du Reader's Digest	M M	804,195 190,408	4	19-208	Submission. Appendix I to Submission. Appendix II to Submission.

Hearings			Appearance			Exhibit			
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript		Description	
						Volume	Pages		
		Reader's Digest Association of Canada (<i>Cont'd.</i>)							
		Roger T. Holroyd—Vice- President and Circulation Director.							
		Andrew J. Conduit—Vice- President and Advertising Director.							
		Douglas G. How—Editor (English).							
		Pierre Ranger—Editor (Selection).							
Ottawa	Nov. 18	Hearst Corporation (Magazine Division) John R. Miller—Vice-President.	Consumer Publications Good Housekeeping Science Digest House Beautiful Harper's Bazaar Popular Mechanics Town and Country Motor Boating Sports Afield Bride and Home Cosmopolitan	M M M M M M M M Q M	173,688 8,000* 11,675 13,477 103,235 991 2,685 34,276 3,787 56,280	5	1-11	O-36	Submission.
Ottawa	Nov. 18	Fawcett Publications Incorporated Donald P. Hanson—Vice- President	Consumer Publications Woman's Day Mechanix Illustrated True Confessions Motion Picture Cavalier Electronics Illustrated	M M M M M M	198,455 73,552 100,879 75,000* 48,000* 8,976	5	12-98	O-37 O-38	Submission. Miscellaneous letters received from readers.
Vancouver	Nov. 21	Stuart Keate—Publisher.				6	14-45	V-1	Submission.
Vancouver	Nov. 21	Mitchell Press Limited H. F. Mitchell—Publisher. Lawrence Ecroyd—Assistant Publisher.	Consumer Publications Western Homes and Living Business Publications B.C. Lumberman Canadian Pulp and Paper Industry	M M M	18,318 5,247 4,111	6	45-83	V-2 V-3	Submission. Copies of the following magazines: (1) Hotels—Restaurants in West- ern Canada—Oct., 1960. (2) Public Works in Canada— Nov., 1960. (3) Western Homes and Living— Nov., 1960.
* Approximate.									

* Approximate.

Hearings		Appearance				Exhibit	
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript	
						Volume	Pages
		Mitchell Press Limited (<i>Cont'd.</i>)	Business Publications (<i>Cont'd.</i>) Hotels and Restaurants in Western Canada Western Business and Industry	M	3,112	V-3 (<i>Cont'd.</i>)	(4) Canadian Pulp and Paper Industry – Nov., 1960. (5) Western Business and Industry – Nov., 1960. (6) British Columbia Lumberman – Nov., 1960.
				M	4,128	V-4	Publisher's Statement re: Canadian Circulations Audit Board Inc.
						V-5	Letter from the Professional Photographers Association of British Columbia, to Commission re: photograph of newsstand display dated Nov. 18, 1960.
						V-6	Copies of the following books: (1) The Anglican Church in British Columbia. (2) The Skeena River of Destiny. (3) The Story of Douglas Lake. (4) Prince Rupert. (5) Klondike Cattle Drive. (6) Cross In The Wilderness.
Vancouver	Nov. 21	C. L. Shaw – General Manager, Construction World and Manager, Miller Freeman Publications.	Business Publications Construction World	M	3,901	6 83-87	N.A. (Oral presentation only.)
Vancouver	Nov. 21	Mrs. Pat Hanley – Writer.				6 88-94	V-7 V-8 Submission. Submission.
Vancouver	Nov. 21	Magor-Way Press Limited L. C. Way – Vice-President.	Business Publications The Canadian Weekly Editor	M	1,343	6 94-105	V-9 Copy of Canadian Weekly Editor magazine – Aug., 1960.
Vancouver	Nov. 21	Raymond Hull.				6 106-115	V-10 Submission and two Copies of Duo Magazine.

Hearings			Appearance			Exhibit		
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript		
						Volume	Pages	Description
Vancouver	Nov. 21	Purchasing In Western Canada David G. C. Eggo – Editor.	Business Publications Purchasing in Western Canada	M	1,884	6	116-117	V-11 Two copies of “Purchasing In Western Canada”.
Vancouver	Nov. 22	Design For Living Publications Read into the record by Commission Secretary.				7	3-5	V-12 Submission.
Vancouver	Nov. 22	Realm News Service Limited Edwin Copps – Manager.				7	10-36	V-13 Submission.
Vancouver	Nov. 22	Mrs. Freda Nevill – Writer.				7	57-62	V-16 Submission.
Vancouver	Nov. 22	The Graphic Arts Association of British Columbia R. A. Maloney – Secretary Manager.				7	63-71	V-17 Submission.
Vancouver	Nov. 22	Design For Living Publications C. H. Thorn – President.				7	72-80	V-18 Submission.
Vancouver	Nov. 22	University of British Columbia G. Woodcock – Editor, Canadian Literature.	Canadian Literature	Q	1,600	7	81-91	V-19 Copy of “Design for Metropolitan and Country Living”. Second Edition.
Vancouver	Nov. 22	British Columbia Photo-Engravers Association Mr. Clark – Member.				7	92-99	V-20 Submission and Volumes 2, 4 and 5 of “Canadian Literature”.
Vancouver	Nov. 23	Community Arts Council of British Columbia Ian McNairn – President.	Community Arts Council News & Calendar			8	3-19	V-21 Submission.
Vancouver	Nov. 23	Jurgen Grohne.				8	20-26	V-22 Submission and copies of “News Calendar” for Nov. and Dec. 1959 and Jan., Feb., Mar., Apr., May, Oct., Nov. and Dec. 1960.
Vancouver	Nov. 23	Bruce Hutchison – Writer.				8	27-39	V-23 Submission.
Vancouver	Received after conclusion of Public Hearings Hugh L. Keenleyside – Private Citizen.							N.A. (Oral presentation only.)
								V-24 Submission.

Hearings			Appearance			Exhibit		
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript		Description
						Volume	Pages	
Regina	Nov. 24	Government of Saskatchewan A. E. Blakeney—Minister of Education. C. J. Wenaas—Member, Economics Planning Board.				9	8-47	R-1 Submission.
Regina	Received after conclusion of Public Hearings.	Government of Saskatchewan						
Winnipeg	Nov. 25	Canada Ethnic Press Federation W. J. Lindel—President.				10	10-22	W-1 Submission.
Winnipeg	Nov. 25	Canada Press Club of Winnipeg Charles Dojack—President.				10	22-27	W-2 Submission.
Winnipeg	Nov. 25	National Publishers Limited Charles Dojack—Publisher.	Consumer Publications Der Nordwesten (German) Montrealer Zeitung (German) Canadian Farmer (Ukranian)	W W W	18, 203 2, 652 17, 360	10	28-42	W-3 Submission.
Winnipeg	Nov. 25	Canadian Circulation Consultants H. Wannacott—President.				10	43-47	W-4 Memorandum.
Winnipeg	Nov. 25	The Public Press Limited R. C. Brown—Managing Director.	Business Publications The Country Guide Canadian Cattleman	M M	309, 478 20, 374	10	48-75	W-5 Submission. W-6 Tables from "Marketing", Oct. 9, 1959 and Feb. 5, 1960. Print Media lineage and advertising revenue.
Winnipeg	Nov. 25	Stovel-Advocate Publications Limited A. H. Strock—President.	Business Publications Canadian Farm Implements Canadian Welder Motor in Canada Oil in Canada Prairie Grocer and Provisioner Precambrian Mining in Canada Western Canada Coal Review Trade and Commerce in Western Canada	M M M W M M B M	10, 315 6, 143 12, 742 5, 405 8, 568 4, 168 2, 732 6, 815	10	76-91 94-103	W-7 Submission.

Hearings			Appearance			Exhibit		
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript		Description
						Volume	Pages	
Winnipeg	Nov. 25	Winnipeg Master Printers & Lithographers Association J. Hignell—Member.				10	92-93	W-8 Submission.
Winnipeg	Nov. 25	Canadian Authors Association (Winnipeg) C. E. L'Ami—Vice President.				10	104-113	W-9 Submission.
Quebec	Nov. 28	Province of Quebec Jean-Charles Bonenfant—Librarian.				11	6-20	Q-1 Submission.
Quebec	Nov. 28	L'Association de Recherches Sur Les Sciences Religieuses et Profanes au Canada Pere Edmond Gaudron—Director. S. G. Mullins—Assistant Editor.	Culture	Q	800	11	20-45	Q-2 Submission. Q-3 Recommendations.
Quebec	Nov. 28	Maclean-Hunter Publishing Company Mme. F. St. Martin—Editor, Chatelaine—La Revue Moderne.	Consumer Publications Chatelaine—La Revue Moderne	M	103,488	11	46-77	Q-4 Submission.
Quebec	Nov. 28	Maclean-Hunter Publishing Company Pierre de Bellefeuille—Editor, Le Magazine Maclean.	Consumer Publications Le Magazine Maclean	M		11	78-95	Q-5 Submission.
Halifax	Nov. 30	The University Press of New Brunswick Michael Wardell—President.	Consumer Publications The Atlantic Advocate	M	16,000	12	10-47	H-1 Submission. H-2 Copy of The Atlantic Advocate—Nov., 1960. H-3 Copy of book—“Newfoundland—The Fortress Isle”.

Hearings

Appearance

Exhibit

Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript		Number	Description
						Volume	Pages		
Halifax	Nov. 30	The Catholic Women's League of Canada Miss M. Burns — National President. Dr. Grace L. Caughlin — Past National President.				12	48-55	H-4	Submission.
Halifax	Nov. 30	Halifax Board of Trade R. V. Oland — Vice President.				12	56-62	H-5 H-6	Submission. Statements from Libraries re: Indexing of periodicals.
Halifax	Nov. 30	Watson Kirkconnell — President of Acadia University.				12	63-76	H-7	Submission.
Halifax	Nov. 30	Dartmouth Free Press Mr. R. Morton — Publisher. Mrs. R. Morton — Editor.				12	77-91	H-8	Submission.
Halifax	Nov. 30	C.J.C.H. Limited D. Hildebrand — Assistant General Manager. J. King — News Director.				12	92-100	H-9	Submission.
Halifax	Nov. 30	C. L. Bennett — Editor of Dalhousie Review.				12	101-102	N.A.	(Oral presentation only.)
Montreal	Dec. 5	National Business Publications Limited M. G. Christie — President. A. W. Dancy — Editorial Director.	Business Publications The Canadian Doctor Canadian Fisherman Canadian Industrial Equipment News Canadian Journal of Comparative Medicine and Veterinary Science Canadian Oil and Gas Industries Canadian Mining Journal Canadian Refrigeration and Air Conditioning Product News Pulp and Paper Magazine of Canada	M M F M	20,563 3,007 20,076 1,995	13	12-39	M-1 M-2	Submission. Summary of Submission.

Hearings Appearance Exhibit

Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript		Exhibit
						Volume	Pages	
Montreal	Dec. 5	Canadian Pulp and Paper Association R. M. Fowler—President and General Manager.				13	40-80	M-3 Submission.
Montreal	Dec. 5	J. E. McDougall—Writer.				13	81-112	M-4 Submission.
Montreal	Dec. 5	Montreal Standard Publishing Company Mark Farrell—Vice-President and General Manager. Craig Ballantyne—Editorial Director. Pierre Gascon—Editor, Perspectives.	Consumer Publications Weekend Magazine Perspectives	W W	1,628,898 207,908	13	113-150	M-5 Submission. M-6 Copy of standard contract between Montreal Standard Publishing Company and newspapers carrying Weekend Magazine. M-7 Copy of standard contract between Montreal Standard Publishing Company and newspapers carrying Perspectives Magazine.
Montreal	Dec. 5	Canadian Library Association J. E. Brown—Chairman of Committee which prepared brief. Miss E. Morton—Executive Secretary.				13	151-182	M-8 Submission.
Montreal	Dec. 6	Professor Hugh MacLennan—Writer and Associate Professor at McGill University.				14	3-44	M-9 Submission.
Montreal	Dec. 6	T. Eaton Company and Simpsons-Sears Limited H. F. McMillan—Head, Legal Department, T. Eaton Co. J. R. O'Kell—Secretary, Simpsons-Sears. R. M. Sedgewick—Counsel.				14	45-58	M-10 Submission.

Hearings			Appearance			Exhibit		
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript		Description
						Volume	Pages	Number
Montreal	Dec.	6	Chemical Institute of Canada W. N. Hall — President. T. H. G. Michael — General Manager.	M M	6,569 3,000	14	59-64	M-11
			Business Publications Chemistry in Canada The Canadian Journal of Chemical Engineering					Submission.
Montreal	Dec.	6	Visual Equipment Company M. M. Resin — President.	B	26,850	14	65-82	M-12 M-13
			Consumer Publications Photo-Fun					Submission. Copy of Photo Age magazine, Dec., 1960.
Montreal	Dec.	7	Newsweek Incorporated F. E. Davis — Vice-President. H. C. Thompson — Director, Newsweek.	W	53,319	15	4-27	M-14 M-15
			Consumer Publications Newsweek					Statement by Mr. Davis. Statement by Mr. Thompson.
Montreal	Dec.	7	Professor F. R. Scott, Faculty of Law, McGill University.			15	28-48	N.A.
								(Oral presentation only.)
Montreal	Dec.	7	Meco Limited J. A. Leggett — President.			15	49-59	M-16
								Submission.
Montreal	Dec.	7	Industrial-Safety Service Incorporated J. A. Lupien — Editor.		Commenced publishing Jan., 1961	15 18	60-68 1-12	M-17
			Business Publications Industrial Safety					Submission.
Montreal	Dec.	7	Rod and Gun Publishing Company Ronald J. Cooke — President.	M B	15,503 10,000	15	69-90	M-18 M-19
			Consumer Publications Rod and Gun Au Grand Air					Submission and copy of Rod and Gun magazine, May, 1960. Tables showing U.S. publications enjoying mailing in Canada priv- ileges.
Montreal	Dec.	7	Photo-Journal Jean-Charles Harvey — Publisher.			18	13-31	M-20
								Submission.
Montreal	Dec.	7	Albert Shea — Researcher and Writer.			15	91-102	N.A.
								(Oral presentation only.)

Hearings			Appearance			Exhibit	
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript	
						Volume	Pages
						Number	Description
		L'Association Des Maîtres — Imprimeurs de Montréal Incorporated (Cont'd.)				M-28 (Cont'd.)	(21) Vie Heureuse. (22) Flash. (23) Oliver. (24) Kit Carson. (25) Désirée. (26) Romances Films. (27) Roman Film Colour. (28) Guérir. (29) Toi et Moi. (30) Mon Coeur. (31) Sélection. (32) Avec Toi. (33) Confidences. (34) Nous Deux Film. (35) La Vie En Fleur. (36) Secrets de Femme. (37) Etoile d'Amour. (38) Capri. (39) Ciné-Succès. (40) Elle. (41) Marie-France. (42) Marie-Claire.
Montreal	Dec.	8 Phyllis Lee Peterson — Writer.				16	34-55
						M-29 M-30	Submission. Supplementary Submission.
Montreal	Dec.	8 Agence Canadienne Hachette Ltee G. A. Roy — Director and Counsel. G. Benjamin — Distributor.				16	56-82
						M-31 M-32	Submission. Memorandum.
Montreal	Dec.	8 Benjamin News Company G. Benjamin — Secretary.				16	83-102
						M-33	Copies of the following magazines and newspapers: (1) Ecclesia. (2) La Revue. (3) Constellation. (4) L'Express. (5) Le Monde. (6) Arts. (7) France-Soir

Hearings		Appearance			Exhibit			
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript		Description
						Volume	Pages	
Benjamin News Company (Cont'd.)								
Montreal	Dec. 8	Business Paper Editors Association (Montreal Chapter) A. J. D'Aoust—Director.				16 18	103-110 75-84	(8) Le Figaro. (9) Nouvelles Littéraires. (10) Le Figaro Littéraires. (11) Paris-Match. (12) Réalités. (13) L'Oeil. (14) Jours de France. M-34 Submission.
Montreal	Dec. 8	Employing Printers Association of Montreal W. K. Savage—President. F. Best—Vice-President. D. Markowitz—Honorary Secretary-Treasurer. D. Maclellan—General Manager.				16 17	111-129 3-11	M-36 Submission. M-37 List of printed matter, Imports and exports released by Graphic Arts Industries.
								M-38 Photostat copy of Washington News, Nov., 1960.
								M-39 Map of Greater Montreal.
								M-40 Pamphlet on "What's New in Toronto".
Montreal	Dec. 9	Benjamin News Company G. Benjamin—Secretary						M-41 Wholesale distribution agreements between Benjamin News Company and Curtis Publishing Company (WA-1).
								M-42 Wholesale distribution agreement between Benjamin News Company and Curtis Publishing Company (WA-2).

Hearings			Appearance			Exhibit			
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript		Description	
						Volume	Pages		
		Benjamin News Company (Cont'd.)							
Montreal	Dec.	9 Canadian Advertising and Sales Clubs J. T. Jotcham — Past President J. McCormick — Executive Director.				17	11-34	M-43 Memorandum of agreement between the Toronto Star Limited and Benjamin News Company. M-44 Photostat copy of letter from A. F. Clancey to A. C. Benjamin re: distribution. M-45 Submission. M-46 Organization Handbook and Roster for 1960-1961. M-47 Minutes of Board of Directors' Meetings 1960-1961. M-48 Montreal Membership Roster -- 1961. M-49 Analysis of "The Bulletin" circulation.	
Montreal	Dec.	9 Leslie Roberts — Freelance Writer and Broadcaster.				17	35-46	M-50 Submission.	
Montreal	Dec.	9 Reginald R. Fife — Vice-President of Outdoor Writers of Canada				17	47-68	M-51 Submission.	
Montreal	Dec.	9 Federation of International Printing and Trade Unions of the Province of Quebec A. Levesque — President. G. A. Plummer — President, Montreal Typographic Union 176. G. Dorais — Business Agent, Montreal Photoengravers Union 191. R. Gagnon — International Representative, International Pressman's Union. F. Parrish — Secretary, Montreal Stereotypers Union.				17 18	68-69 85-97	M-52 Submission.	

Hearings		Appearance			Exhibit			
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript Volume Pages	Number	Description

Montreal	Dec. 9	George J. Wesley – Writer.				17	70-75	M-53	Submission – Entered into the record Dec. 8, 1960, pages 134-138 of Volume 16.
Montreal	Dec. 9	Julian Huven – Prospective Publisher.				17	76-83	M-54 M-55 M-56 M-57	Submission. Copy of “Sussex Illustrated” dated Nov. 1, 1960. Copy of “Sussex Illustrated” dated Nov. 6, 1960. Copy of “Sussex Illustrated” dated Nov. 3, 1960.
Montreal		Received after conclusion of Public Hearings. Actualite.						M-59	Submission.
Montreal		Received after conclusion of Public Hearings. T. Eaton Company Ltd. & Simpsons-Sears Limited.						M-60	Supplementary Submission.
Toronto	Dec. 12	Ralph Allen – Writer.				19	7-39	N.A.	(Oral Presentation only.)
Toronto	Dec. 12	Association of Canadian Advertisers Incorporated & Canadian Association of Advertising Agencies Allan B. Yeates – President of A.C.A. Warren Reynolds – President of C.A.A.A.				19	40-133	T-1	Submission.
Toronto	Dec. 12	Canadian Circulations Audit Board J. A. M. Gallie – General Manager.				19	134-136	T-2	Submission.

Exhibit

Appearance

Hearings

Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript		Number	Description
						Volume	Pages		
Toronto	Dec. 12	Arthurs-Franklin Publications N. J. Arthurs, — President. W. Sheppard — Counsel.	Consumer Publications	9*	7,146	19	137-144	T-3	Submission.
			Canadian Boating						
			Business Publications Canadian Hairdresser Marine Trades Hardware and Housewares	M Q M	7,419 3,449 7,660				
Toronto	Dec. 13	Canada Track and Traffic Publish- ing Company John R. Rose — Vice-President. Ronald Marvin — Business Manager.	Consumer Publications	M	8,000	19	145-151	T-4 T-5	Submission. Copy of Canada Track and Traffic — Sep., 1959.
			Canada Track and Traffic					T-6	Copy of Canada Track and Traffic — Dec., 1960.
								T-7	Copy of Canada Track and Traffic — Jan., 1961.
								T-8 T-9	Submission. Tables re: Summary of Canadian magazines in the 20's, 30's, 40's, 50's, and 60's.
Toronto	Dec. 13	Magazine Publishers Association of Canada L. M. Hodgkinson — President.				20	3-36	T-10 T-11	Table re: Comparison of rates — Canadian magazines. Advertisement from Sélections du Reader's Digest and accompanying charts.
									Copy of the Gallagher Report for November 1960.
									Reprint of section from 1958 Sales Management's Marketing on the Move Issue.
									Clipping from Advertising Age re: appointment of Harry C. Thomson as MPA International Committee Chairman.
									Samples of introductory offers re: magazine subscriptions.

* 9 issues per year.

Hearings			Appearance			Exhibit		
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript Volume Pages	Number	Description
Toronto	Dec. 13	University of Toronto Press J. M. Jeanneret—Director. Miss E. Harman—Assistant Director. J. Irwin—President, Book Society of Canada.				20	37-96	T-12 Submission. T-13 Copy of submission to Advisory Committee (University of Toronto Press) from Canadian Geographer. T-14 Copy of letter—Professor J. S. Weavers, Canadian Linguistic Association to J. M. Jeanneret, re: publication "The Journal". T-15 Copy of letter—George Johnston, Ph.D., D.D., United Theological College to J. M. Jeanneret, re: "The Canadian Journal of Theology".
Toronto	Dec. 13	Secombe House W. W. Secombe—President. K. K. Knox—Vice-President and Sales Director. W. R. Feasby, M.D.—Director of Professional publications and Editor of Medical Publications. P. B. Lyndon—Editorial Director.	Business Publications The Gift Buyer Quill and Quire MD of Canada Applied Therapeutics Canadian Food Journal Modern Medicine of Canada The Canadian Office	B B M M M M	3,157 20,760 7,387 not yet published 22,471 10,615		T-16	Submission and copies of the following publications: (1) MD—Dec., 1960. (2) Applied Therapeutics—Oct., 1960. (3) Canadian Food Journal—Report No. 1. (4) Canadian Food Journal—Report No. 2. (5) Canadian Food Journal—Report No. 3. (6) Food Advertising News. (7) Canadian Booklist—Oct.-Nov., 1960. (8) Books in Canada—Oct., 1960. (9) Quill and Quire—Aug.-Sept., 1960. (10) Quill and Quire—Oct.-Nov., 1960. (11) Quill and Quire—Christmas 1960. (12) Canadian Medical Directory—1960.

Hearings

Appearance

Exhibit

Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript		Description
						Volume	Pages	
		Secombe House (<i>Cont'd.</i>)						T-16 (<i>Cont'd.</i>) (13) Modern Medicine of Canada — (pamphlets). (14) A Study of English Speaking Readers. (15) The Canadian Office—Dec., 1960. (16) Office Administration — June, 1960. (17) Office Equipment and Meth- ods — Sept. (18) Modern Medicine of Australia — Sept., 1960. (19) Modern Medicine of Great Britain — Nov., 1960. (20) Modern Medicine of Canada — Nov., 1960. (21) Medicine Moderne du Canada — Nov., 1960. (22) Modern Medicine — Nov., 1960.
Toronto	Dec. 13	Mrs. Trent Frayne—Writer.				20	133-142	T-17 Submission.
Toronto	Dec. 13	Dominion Electrohome Industries C. A. Pollock — President.				20	143-157	T-18 Submission.
Toronto	Dec. 13	Toronto Public Library H. C. Campbell—Chief Librarian.				20	158-162	T-19 Submission.
Toronto	Dec. 14	Maclean-Hunter Publishing Company Blair Fraser — Editor, Maclean's magazine.	Consumer Publications Maclean's Magazine	F	505,195	21	3-26	T-20 Submission. T-21 Copy of "The Canadian Reader", Dec., 1960.
Toronto	Dec. 14	Maclean-Hunter Publishing Company Doris Anderson — Editor, Chatelaine.	Consumer Publications Chatelaine Magazine	M	745,589	21	26-32	T-22 Submission.

Hearings			Appearance			Exhibit		
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript Volume	Pages	Description
Toronto	Dec. 14	Maclean-Hunter Publishing Company G. Anglin – Editor and Publisher, Canadian Homes Magazine.	Consumer Publications Canadian Homes	M	129,373	21	32-41	T-23 Submission.
Toronto	Dec. 14	The Society for Art Publications Alan Jarvis – Chairman. Paul Arthur – Managing Editor.				21	41-60	T-24 Submission.
Toronto	Dec. 14	Canada Council Dr. Claude Bissell – Chairman. Dr. A. W. Trueman – Director.				21	61-77	T-25 Submission.
Toronto	Dec. 14	Professor J. L. Wild – Department of Journalism, University of Western Ontario.				21	78-90	T-26 Submission.
Toronto	Dec. 14	Monetary Times Publications Limited E. Salmond – President.	Business Publications Aircraft Canadian Municipal Utilities Canadian Plastics Farm Equipment Dealer Garden Supply and Hardware Dealer Good Farming Quarterly Machine Production and Canadian Supply The Monetary Times Motor Truck and Coach Roads and Engineering Construction Timber of Canada	M M M M B Q M M M M M M	7,741 5,051 7,265 11,008 5,919 51,485 7,353 10,532 11,832 11,182 10,507	21	91-112	T-27 Submission and copies of the following publications: (1) Roads and Engineering Construction, Nov., 1960. (2) Canadian Municipal Utilities, Nov., 1960. (3) Motor Truck & Coach – Nov., 1960.
Toronto	Dec. 14	Business Paper Editors Association W. B. Forbes – President, Toronto Chapter.				21	113-134	T-28 Submission.

Hearings			Appearance			Exhibit		
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript		Description
						Volume	Pages	
Toronto	Dec. 14	S. J. B. Sugden—Prospective Publisher.				21	135-146	T-29 Submission.
Toronto	Dec. 15	Canadian Ethnic Press Club Julius Baier—President. B. Tenhunen—Past President.				22	3-16	T-30 Submission. T-31 Submission.
Toronto	Dec. 15	Periodical Distributors Association of Canada E. Colebourne—President.						T-32 Copy of Canada Official Postal Guide, 1959.
Toronto	Dec. 15	Toronto Star Limited B. Honderich—Vice President and Editor-in-chief J. Claire—Executive Editor.	Consumer Publications The Star Weekly	W	955,383	22	32-58	T-33 Supplementary Submission. T-34 Copy of Star Weekly—Dec. 17, 1960. T-35 Bundle of miscellaneous literature.
Toronto	Dec. 15	Anglican Church of Canada Reverend A. G. Baker—Editor and General Manager of Canadian Churchman Reverend H. R. Rokeby-Thomas —Advertising Manager of Canadian Churchman.	Consumer Publications Canadian Churchman	M	280,000	22	59-87	T-36 Submission
Toronto	Dec. 15	Age Publications Limited L. R. Kingsland—President K. Gould—Vice President	Business Publications Automatic Heating Plumbing and Air Conditioning Electronics and Communica- tions Restaurants and Institutions Wine, Beer and Spirits	M M M M	14,738 10,458 18,114 8,147	22	87-112	T-37 Submission
Toronto	Dec. 15	G. Cadogan—Publisher of Dur- ham Chronicle				22	113-124	T-38 Submission T-39 Copies of letters to Time Magazine re: subscription to U.S. edition

Hearings

Appearance

Exhibit

Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript		Description
						Volume	Pages	
Toronto	Dec. 15	Iiliffe and Sons C. de Verteuil—Canadian Rep- resentative				22	124-134	T-40 Submission
	Dec. 16					23	3-17	
Toronto	Dec. 16	Souham-MacLean Publications James A. Daly—President E. V. Manser—Vice President W. K. Jones—Secretary Treasurer	Business Publications The Canadian Lumberman Shoe and Leather Journal Engineering and Contract Record Electrical News and Engineering Canadian Transportation Canadian Woodworker Supermarket Methods Furniture and Furnishings Canadian Chemical Processing MacLean's Building Guide Canadian Metalworking Electrical Contracting and Maintenance Canadian Architect Industrial Digest Electrical Equipment News Petro Process Engineering Executive Canadian Consulting Engineer Hospital Administration and Construction	M M M M M M M M M M M M M M M M M B M M B	10,363 4,505 11,088 7,375 3,263 3,857 12,821 7,041 6,244 18,034 5,796 10,155 2,925 20,654 9,997 3,659 7,211 2,778 4,591	23	18-70	T-41 Submission and copies of the follow- ing publications: (1) Royal Architectural Institute of Canada Journal—Oct., 1960 (2) Timber of Canada—June, 1960 (3) Petro Process Engineering— Nov., 1960 (4) Oilweek—Nov. 12, 1960 (5) Progressive Architecture— Oct., 1960 (6) Canadian Oil and Gas Indus- tries—Nov., 1959 Copy of "Reader Report Service" conducted for the Canadian Archi- tect—Aug., 1960 Copy of "Reader Report Service" conducted for the Canadian Wood- worker—July, 1960. Copy of "Reader Report Service" conducted for the Shoe and Leather Journal—Sept., 1960. Copy of "Construction Equipment" —May, 1960.
Toronto	Dec. 16	Ontario Federation of Printing Trades Unions H. A. Tomkinson—President G. MacMillan—Secretary Treasurer				23	71-79	T-46 Submission

Hearings			Appearance			Exhibit		
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript Volume Pages	Number	Description
Toronto	Dec. 16	B. T. Richardson – Editor – Toronto Telegram				23 80-99 23 108-118	T-47	Submission
Toronto	Dec. 16	Sponsor Magazine N. Glenn – President and Publisher	Business Publications Canadian Sponsor	W	3,206	23 100-107	T-48	Copy of "Canadian Sponsor" magazine—Dec. 12, 1960
Toronto	Dec. 16	Curtis Publishing Company Robert Gibbon – Director and Secretary	Consumer Publications The Saturday Evening Post Ladies Home Journal Holiday The American Home Jack and Jill	W M M M M M	230,664 235,617 26,102 76,954 30,000	23 118-154	T-49	Submission
Toronto	Dec. 16	McGraw-Hill Publishing Company John L. Cady – Tax Director	Business Publications Business Week Power Construction Methods and Equipment Engineering News Record Factory Fleet Owner Engineering and Mining Journal Food Engineering Chemical Engineering Petroleum Week American Machinist/Metalworking Manufacturing Aviation Week and Space Technology Product Engineering Control Engineering Electrical Construction and Maintenance Chemical Week Electrical World Electronics	W M M W M M M M M M F W F W W M M M W W W W	13,421 4,300 3,400 3,100 2,900 2,800 2,500 2,000 1,900 1,600 1,500 1,300 1,300 1,200 1,400 1,300 1,100 1,200	23 154-164	T-50	Submission

Hearings		Appearance				Exhibit				
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript				
						Volume	Pages			
Toronto	Dec. 16	McGraw-Hill Publishing Company (Cont'd.)	Electrical Merchandising Week The American Automobile Textile World National Petroleum News	W M 13 13	1,300 1,200 1,000 1,000	23	165-170	T-51	Submission	
Ottawa	Dec. 20	John Inglis Company Limited P. J. Baldwin — Secretary E. M. Bassingthwaite — Director, Consumer Products Division	Consumer Publications La Revue Populaire Le Samedi	M F	104,261 77,638	24	3-34	O-39	Submission	
Ottawa	Dec. 20	Graham Spry — Agent General for the Province of Saskatchewan in the United Kingdom				24	35-98	O-40	Submission	
Ottawa	Dec. 20	Kenneth L. Brown — Associate Editor of Encyclopedia Canadiana.				24	99-114	O-41	Submission.	
Ottawa	Dec. 20	K. Johnstone — Freelance Writer.				24	115-126	O-42	Submission.	
Ottawa	Dec. 20	Family Circle Incorporated J. B. Scarborough — Vice President.	Consumer Publications Everywoman's Family Circle	M	281,318	24	127-161	O-43 O-44	Submission. Copy of Everywoman's Circle — Sep., 1960.	Family
								O-45	Copy of Everywoman's Circle — Oct., 1960.	Family
								O-46	Copy of Everywoman's Circle — Nov., 1960.	Family

Hearings			Appearance			Exhibit		
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript		Description
						Volume	Pages	
		Family Circle Incorporated (<i>Cont'd.</i>)						
Ottawa	Dec. 20	C. Fraser Elliott—Lawyer.				24	162-194	O-47 Copy of Everywoman's Family Circle—Dec., 1960.
Ottawa	Dec. 20	National Gallery of Canada Dr. Charles F. Comfort—Director.				25	3-18	O-48 Copy of Everywoman's Family Circle—Jan., 1961.
Ottawa	Dec. 21	Canadian Association of Consumers. Dr. Pauline Jewett—Member of General Executive.				25	19-34	O-49 Submission.
								O-57 Submission.
								O-58 Copy of Canadian Art Magazine—Nov., 1960.
								O-59 Submission.
Ottawa	Dec. 21	Royal Canadian Geographical Society Major General Hugh A. Young—President. Major General W. J. McGill—Editor, Business and Circulation Manager.	Consumer Publications Canadian Geographical Journal	M	9,038	25	34-68	O-60 Submission. O-61 Copy of Canadian Geographical Journal—May, 1960. Copy of Canadian Geographical Journal—June, 1960.
Ottawa	Dec. 21	Public Printing and Stationery Roger Duhamel—Queen's Printer. C. B. Watt—Assistant Queen's Printer. C. St-Arnaud—Superintendent, Publications Branch.				25	77-108	O-64 Submission. O-65 Copies of the following publications: (1) The Canada Gazette—Part I. —Mar. 26, 1960. (2) The Canada Gazette—Part II. Mar. 23, 1960. (3) The Canada Gazette—Part II. (French)—Mar. 23, 1960. (4) Law Report—Part I (1960).

Hearings			Appearance			Exhibit	
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript Volume Pages	Number Description
		Public Printing and Stationery (<i>Cont'd.</i>)					O-66 (<i>Cont'd.</i>)
							(23) Monthly Supplement of Canada Official Postal (Mar., 1960).
							(24) Transport Commissioners for Canada (Regulations & Rulings)—Mar. 15, 1960.
							(25) Trademarks Journal—Mar. 23, 1960.
							(26) Radio Aids to Marine Navigation (Atlantic and Great Lakes)—Aug. 1, 1960.
							(27) Radio Aids to Marine Navigation (Pacific)—Aug. 1, 1960.
							(28) Radio Equipment List—Apr., 1960.
							(29) Canadian Army—Spring, 1960.
							(30) The Roundel—Mar., 1960.
							(31) Colonial Geology and Mineral Resources Vol. 5, No. 2—1955.
							(32) Agriculture—July, 1955.
							(33) Accidents—July, 1953.
							(34) Post Office Magazines—June, 1955.
							(35) Telecommunications Journal—Aug. to Oct., 1954.
							(36) Journal de L'Armée—Spring, 1960.
							(37) External Affairs—Mar., 1960.
							(38) Fisheries Research Board of Canada—Mar., 1960.
							(39) Affaires Exterieures—Mar., 1960.
Ottawa	Dec. 21	Canadian Labour Congress Claude Jodoin—President. A. Andras—Legislative Director.				25 109-129	O-68 Submission.

Appearance

Hearings

Exhibit

Location	Date	Participant	Periodicals	Transcript		Number	Description
				Frequency Of Issue	Circulation Per Issue†		
Ottawa	Dec. 21	Magazine Publishers Association Robert E. Kenyon Jr. — President.		25	130-153	O-69	Submission.
						O-70	Chart — Magazine Circulations 1940-1960.
						O-71	Chart — Magazine Advertising Linage 1940-1960.
						O-72	Chart — Advertising Volume — U.S.A. — 1940-1960.
						O-73	Chart — Share of Advertising Volume — U.S.A. — 1940-1960.
						O-74	Chart — U.S. Magazine Publishing Profits — 1940-1960.
						O-75	Chart — Magazines suspended since 1946 — U.S.A.
						O-76	Chart — New magazines since 1946 — U.S.A.
						O-77	Chart — Advertising Volume — Canada — 1946, 1950, 1960.
						O-78	Chart — Share of Advertising Volume — Canada — 1946, 1950, 1960.
						O-79	Chart — Readers Guide to Periodical Literature (Mar., 1957-Feb., 1959).
						O-80	Chart — Readers Guide to Periodical Literature (Mar., 1957-Feb., 1959).
						O-81	Chart — Readers Guide to Periodical Literature (Mar., 1957-Feb., 1959).
Ottawa	1961 Jan. 3	National Farmers Union F. Von Piliis — Editor of Union Farmer		26	3-30	O-82	Submission.
						O-83	Copy of magazine "The Educational A.B.C's of Industry" — 1959-1960.
						O-84	Copy — The Union Farmer (Nov., 1960).
							Copy — The Union Farmer (Sept., 1960).
							Copy — The Union Farmer (Oct., 1960).

Hearings			Appearance			Exhibit	
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript	
						Volume	Pages
Ottawa	Jan.	3 Periodical Press Association C. J. Laurin — President.				26	31-59
Ottawa	Jan.	3 Maclean-Hunter Publishing Company Floyd S. Chalmers — President.				26	60-73
Ottawa	Jan.	3 Association of Canadian Advertisers Incorporated and Canadian Association of Advertising Agencies Allan B. Yeates — President of A.C.A. Warren Reynolds — President of C.A.A.A. John McCuaig — On the Media Committee of the Association and Media Director of James Lovick & Company, Toronto.				26	74-122

Number	Description
O-85	Supplementary Submission.
O-86	Chart — Comparison of Magazine advertising revenue to Gross National Product — 1948-1959.
O-87	Chart — Comparison of television advertising revenue to magazine, advertising revenue, including Time and Reader's Digest — 1948-1959.
O-88	Chart — Comparison of total Week-End media advertising revenue to total magazine advertising revenue including Time and Reader's Digest — 1948-1959.
O-89	Chart — Comparison of Canadian magazines plus Time and Reader's Digest to Gross National Product — 1950-1959.
O-90	Copy of McCall's magazine — Nov., 1960.
O-91	Supplementary Submission.

Hearings			Appearance			Exhibit	
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript Volume Pages	Description
Ottawa	Jan. 3	Association of Canadian Advertisers Incorporated					O-92 Membership List. O-93 Constitution and By-laws.
Ottawa	Jan. 3	Canadian Association of Advertising Agencies					O-94 Constitution and By-laws. O-95 Membership List.
Ottawa	Jan. 3	Association of Canadian Advertisers Incorporated					O-96 A.C.A. members replies to questionnaire re: brief.
Ottawa	Jan. 3	Canadian Association of Advertising Agencies					O-97 C.A.A.A. members replies to questionnaire re: brief.
Ottawa	Jan. 3	Association of Canadian Advertisers Incorporated and Canadian Association of Advertising Agencies					O-98 Consolidated statistics from questionnaire. O-99 Supplementary Submission.
Ottawa	Jan. 3	Maclean-Hunter Publishing Company		26	123-139		N.A. (Oral presentation only.)
	Jan. 4	Floyd S. Chalmers – President.		27	35-61		
Ottawa	Jan. 4	Business Newspapers Association J. L. Craig – President		27	62-100		O-107 Supplementary Submission. O-108 Copy of magazine "Material Handling Engineering" – Dec., 1960. O-109 Copies of the following magazines: (1) Occupational Hazards – June, 1960. (2) The Refrigeration and Air Conditioning Business – Dec., 1960. (3) Hydraulics and Pneumatics – Nov., 1960. O-110 Copies of the following magazines: (1) American Hairdresser – May, 1960. (2) American Hairdresser – Sep., 1960.

Hearings			Appearance			Exhibit	
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue†	Transcript	
						Volume	Pages Number
		Business Newspapers Assoc. (<i>Cont'd.</i>)					
							O-110 (<i>Cont'd.</i>)
							(3) American Hairdresser—Nov., 1960.
							(4) Modern Beauty Shop—May, 1960.
							(5) Modern Beauty Shop—Nov., 1960.
							(6) Industrial Property Guide.
							(7) Time—Sep. 19, 1960.
							(8) Time—Nov. 9, 1959.
							(9) Time—Dec. 28, 1959.
							(10) Box Office—Dec. 5, 1960.
							(11) Box Office—Nov. 14, 1960.
							O-111 Copy of Letter—Scully Jones and Company, Chicago, Illinois to J. M. Rudel re: Advertising in Canadian publication.
Ottawa	Jan.	4 Canadian & Catholic Confederation of Labour R. Mathieu—President. J. Pelletier—Officer				27 101-131	O-112 Submission.
Ottawa	Jan.	4 Association of Industrial Advertisers (Toronto Chapter) K. K. Warne—Director. P. A. York—President.				27 132-182	O-113 Submission.
Ottawa	Jan.	4 Gordon and Gotch (Canada) Limited W. F. Smith—General Manager. B. A. VanAlstyne—Circulation Manager.				27 183-205	O-114 Submission. O-115 Copies of the following publications: (1) Quick Canadian Facts—May, 1960. (2) Canadian Pro Football Review, 1st Edition 1960. (3) Woman's Weekly—Dec. 10, 1960. (4) Canada Track and Traffic—July, 1960. (5) Ontario Sportsmans Guide—1960.

Hearings			Appearance			Exhibit	
Location	Date	Submitted By	Periodicals	Frequency Of Issue	Circulation Per Issue*	Transcript Volume Pages	Number Description
Gordon & Gotch (<i>Cont'd.</i>)							
Ottawa	Jan. 5	French Canadian Association of Education for the Province of Quebec H. Charbonneau – Secretary. A. Arvisais – President.				28 43-56	O-116 Submission. (6) Woman and Home – Nov., 1960. (7) Woman's Journal – Nov., 1960. (8) Woman's Own – Oct. 1, 1960. (9) Woman – Nov. 26, 1960.
Ottawa	Jan. 5	L'Association Canadienne des Bibliothécaires de Langue Française Reverend Father A. M. Morisset – President. R. Tanghe – Consulting Member.				28 57-71	O-117 Submission.
Ottawa	Jan. 5	The Book Publishers Association J. M. Gray – President of Macmillan Company of Canada. V. M. Knight – Vice-President and Managing Director of S. J. Reginald Saunders and Company.				28 77-101	O-119 Submission. O-120 Copy of book "Writing in Canada" – July, 1955.
Ottawa	Jan. 5	Canadian University Press D. Parkinson – President.				28 102-110	O-121 Submission.
Ottawa	Jan. 5	Radio College of Canada Igor Bossy – Registrar.				28 111-132	O-122 Submission.
Ottawa	Jan. 5	Patrick Hailstone – Prospective Publisher.				28 132-136	O-123 Submission.

Appearance

Exhibit

Hearings

Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue*	Transcript		Number	Description
						Volume	Pages		
Ottawa	Jan. 5	Canadian Weekly Newspapers Association				28	137-158	O-124	Submission.
		W. Leavens - President. W. Telfer - Managing Director.							
Ottawa	Jan. 17	Canadian Institute of Adult Education				29	4-35	O-125	Submission.
		C. Ryan - President. Miss M. Joubert - General Secretary. F. Jolicoeur - Director of Education Services for the Confederation of National Trade Unions. R. Portenteau - Professor of Economics.							
Ottawa	Jan. 17	Time International of Canada Limited				29	36-191	O-126 O-127	Supplementary Submission. Album of examples of Canadian Stories in U.S. editions 1958, 1959 and 1960.
		Lawrence E. Laybourne - Managing Director.						O-128	Album of examples of Canadian Stories in Life, 1958, 1959 and 1960.
		Henry Luce - Editor-in-Chief. Roy Alexander - Editor.						O-129	Album of examples of Canadian Stories in Fortune, 1958, 1959 and 1960.
		R. Elson - Chief London News Bureau.						O-130	Album of examples of Canadian Stories in Sports Illustrated, 1958, 1959 and 1960.
		J. Scott - Senior Writer, Canadian News Section.						O-131	Copy of Canadian Consumer Publications Report - Volume 2, Sep., 1957.
								O-132	Booklet "Your Best Customers in Canada".
								O-133	Printers copies of material for magazines.
								O-134	Time - Carbon. Copies of editorial working papers.

Hearings			Appearance			Exhibit	
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue*	Transcript	
						Volume	Description
Ottawa	Jan. 18	Toronto Star Beland Honderich—Editor.				30	3-33 Recommendations.
Ottawa	Jan. 18	Montreal Standard Publishing Company Limited. Mark Farrell—Vice-President and General Manager. Craig Ballantyne—Editorial Director.				30	34-124 Rebuttal and Final Submission. O-136 Rebuttal and Final Submission. O-137 Recommendations.
Ottawa	Jan. 18	Maclean-Hunter Publishing Company Floyd S. Chalmers—President.				30	125-185 O-138 Rebuttal
Ottawa	Jan. 19	Macfadden Publications Incorporated M. Dworkin—Secretary-Treasurer	Consumer Publications True Story Photoplay T.V. Radio Mirror True Romance True Experience True Love Sport Saga Climax True Detective. Master Detective.	M M M M M M M M M M M M	204,000 92,000 13,000 43,000 29,000 27,000 34,000 25,000 19,000 32,000 18,000	31	3-12 O-146 Submission. O-147 Copies of the following magazines: (1) True Story—(Japanese). (2) Confidencias—(Mexican) (3) True Detective—(Great Britain). (4) Wahre Geschichten—(German). (5) Master Detective—(Great Britain). (6) True Romance—(Australia). (7) Cuéntame—(Brazilian). (8) True Romance—(Great Britain). (9) Photoplay—(Australian). (10) True Story—(Great Britain). (11) True Story—(Australian). (12) Hela Varlden—(Danish). (13) True Experience—(Australian). (14) Teens Today—(Australian). (15) Confidencias—(Danish) (16) Intimità—(Italian) (17) Confidences—(Belgium).

Hearings			Appearance			Exhibit		
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue*	Transcript		Description
						Volume	Pages	Number
Ottawa	Jan. 19	Periodical Press Association. C. J. Laurin — President.				31	12-61	O-148 Rebuttal.
								O-149 Prospectus of Exquisite Form Bras- siere (Canada) Limited Re: Secu- rities.
								O-150 Copy of Press Release of Elgin Watch Company.
								O-151 Copy of Paris Match magazine— Dec. 24, 1960.
Ottawa	Jan. 19	Maclean-Hunter Publishing Company. Floyd S. Chalmers — President.				31	62-104	O-152 Table showing Increase in A.B.C. Magazine circulation — 1940 — 1960. 1950 — 1960.
								O-153 Photostat of Page from "The Can- adian Magazine" — Apr., 1939.
Ottawa	Jan. 19	Reader's Digest Association (Canada) Limited. John L. O'Brien — Director and Counsel. E. P. Zimmerman — President.				31 32	104-198 3-42	O-154 Chart — Gross National Product 1950-1959. " — Comparisons of Magazine Revenues to Agency Bill- ings. 1950-1959. " — Gross National Advertising Revenues (All Major Media Reporting) 1948, 1952, 1956, 1959.
								O-155 Table showing Magazine advertising rates & cost per M comparison 1960 — Canada. rates and cost per M comparison 1960 — U.S.A.
								O-156 Table showing magazine advertising rates and cost per M comparison 1960 — U.S.A.
								O-157 Table showing magazine advertising rates and cost per M comparison 1960 — France.
								O-158 Table showing sources of subscrip- tions sold through field sales or- ganization — 1959.
								O-158A List of field selling agencies selling Canadian Periodicals.
								O-158B List of Canadian consumer magazines.

Hearings

Appearance

Exhibit

Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue*	Transcript		Number	Description
						Volume	Pages		
Ottawa	Jan. 20	Business Newspapers Association. J. L. Craig — President.				32	43-58	O-159	Rebuttal.
Ottawa	Received after conclusion of Public Hearings	Montreal Standard Publishing Company.							
Ottawa	Jan. 20	Graphic Arts Industries Association. David Maclellan — General Manager.				32	59-86	O-160 O-161 O-162 O-163	Letter — Mark Farrell to P.M. Pitfield of Jan. 16, 1961, Re: copy-right. Recommendations. Table showing trends in the industry — 1949 — 1960. Table showing printed matter imports and exports.
Ottawa	Jan. 20	Time International of Canada Limited. Lawrence E. Laybourne — Managing Director.				32	87-119	N.A.	(Oral Presentation only.)

Submissions Received Without a Personal Appearance

Vancouver	Nov. 22	Roy Wrigley Publications Limited.				7	5-6	V-14	Submission.
Vancouver	Nov. 22	E. R. Morton.				7	7-9	V-15	Submission.
Montreal	Dec. 7	Cornel Lumiere — Writer.				15	103-105	M-21	Submission.
Montreal	Dec. 7	Herbert Steinhouse — Writer.				15	106-115	M-22	Submission.
Montreal	Dec. 7	Jean E. Sereisky — Writer.				15	116-123	M-23	Submission.
Montreal	Dec. 7	Ronalds Federated Limited.				15	124-132	M-24	Submission.
Montreal	Dec. 7	Gabriel Berberi — Student.				15	133-149	M-25	Submission.
Montreal	Dec. 8	The Engineering Institute of Canada.				16	130-133	M-58	Submission.

Hearings			Submissions Received Without a Personal Appearance				Exhibit		
Location	Date	Participant	Periodicals	Frequency Of Issue	Circulation Per Issue*	Transcript		Number	Description
						Volume	Pages		
Ottawa	Dec. 20	Canadian Authors Association.	Canadian Author and Bookman	Q	1,085	24	196-199	O-52	Submission.
Ottawa	Dec. 20	Mrs. Lorna Towers.				24	200-201	O-51	Submission.
Ottawa	Dec. 20	Health League of Canada.				24	202-204	O-53	Submission.
Ottawa	Dec. 20	Canadian Chamber of Commerce.				24	205-206	O-55	Submission.
Ottawa	Dec. 20	Primary Textiles Institute.				24	207-210	O-54	Submission.
Ottawa	Dec. 20	National Film Board.				24	211-212	O-56	Submission.
Ottawa	Dec. 20	Professor A. R. M. Lower.				24	213-222	O-50	Submission.
Ottawa	Dec. 21	Louis Dudek.				25	69-72	O-62	Two Letters to Commission dated Nov. 23 and Dec. 5, 1960 re: "Delta" and "Literature & The Press."
Ottawa	Dec. 21	Revue Dominicaine.				25	73-76	O-63	Submission.
Ottawa	Jan. 3	Canadian Manufacturers Association.				26	140-148	T-52	Submission (Received at Toronto).
Ottawa	Jan. 3	Beatty Brothers Limited.				26	149-150	T-54	Submission (Received at Toronto).
Ottawa	Jan. 3	T. Joseph Scanlon.				26	151-155	T-53	Submission (Received at Toronto).
Ottawa	Jan. 3	McClelland and Stewart Limited.				26	156-160	O-105	Submission.
Ottawa	Jan. 4	Norris Denman.				27	3-6	O-106	Submission.
Ottawa	Jan. 4	Select Magazines Incorporated.				27	7-14	O-101	Submission.
Ottawa	Jan. 4	Huot Advertising.				27	15-17	O-102	Submission.
Ottawa	Jan. 4	Points de Vue.				27	18-25	O-104	Submission.
Ottawa	Jan. 4	V. Roblin.				27	26-34	O-103	Submission.

Letters in Frequency column indicate frequency of publication as follows: B—bimonthly; F—fortnightly; M—monthly; S—semimonthly; W—weekly. A number indicates the number of issues per annum.

[†]Canadian circulation only. Source: Audit Bureau of Circulations, Canadian Circulations Audit Board, and Canadian Advertising sworn publishers' statements.

Letters in Frequency column indicate frequency of publication as follows: B—bimonthly; M—monthly; S—semimonthly; W—weekly. A number indicates the number of issues per annum.

[†]Canadian circulation only. Source: Audit Bureau of Circulations, Canadian Circulations Audit Board, and Canadian Advertising sworn publishers' statements.

SURVEYS CONDUCTED BY THE COMMISSION

A. GENERAL

1. Survey of the situation of the periodical press in other countries
—directed to all Canadian Embassies and certain foreign organizations.
2. Survey of the future prospects of periodicals in Canada
—directed to major publishers of Canadian periodicals and editions.

B. FINANCIAL

1. Questionnaire on corporate information
—directed to major publishers of Canadian periodicals and editions.
2. Questionnaire on financial information (I)
—directed to publishers of Canadian and selected American magazines and editions.
3. Questionnaire on financial information (II)
—directed to publishers of more than one business or farm paper.
4. Questionnaire on costs and statistics
—directed to major publishers of Canadian periodicals and editions.

C. LEGAL

1. Survey of provincial liquor advertising legislation and regulations
—directed to all provincial liquor authorities, boards and commissions.
2. Survey of provincial legislation and regulations concerning advertising
—directed to all Provincial Secretaries.

D. ADVERTISING

1. Questionnaire on media selection methods
—directed to the Media Directors of selected advertising agencies.
2. Questionnaire on the economic effects of overflow advertising
—directed to selected Canadian-owned companies.
3. Questionnaire on the allocation of advertising expenditures
—directed to selected subsidiaries and branches of American-owned companies and Canadian-owned companies.
4. Questionnaire on coupon returns from split run and overflow magazine advertising
—directed to selected record and book clubs.

E. CIRCULATION

1. Questionnaire on direct mail circulation promotion costs
—directed to major Canadian and American magazine publishers.
2. Questionnaire on expenditures and revenues in circulation promotion
—directed to major Canadian and American magazine publishers.

F. DISTRIBUTION

1. Survey of magazine subscription agencies.
—directed to selected subscription agencies in Canada.

Note: Wherever necessary the Commission's staff obtained additional information by correspondence or interview.

REPORT OF THE FINANCIAL CONSULTANT

JAMES M. DUNWOODY & COMPANY

CHARTERED ACCOUNTANTS

Toronto, Ontario, 15th May 1961

To the Chairman and Members,
Royal Commission on Publications,
Ottawa, Ontario.

Dear Sirs:

I submit on the following pages my Report as Financial Consultant to this Commission.

Although retained individually as Financial Consultant I shall use throughout this Report the terms "we" and "our" since this engagement called on the services of senior partners and personnel of James M. Dunwoody & Company in our offices in Montreal, Toronto, Winnipeg and Vancouver.

Following our initial meeting our terms of reference were set forth as follows:

1. To investigate and report on the financial affairs of the major Canadian periodical publishers.
2. To investigate and report on the financial affairs of Canadian companies publishing "Canadian editions" of foreign publications.
3. To ascertain and advise on the financial condition of the Canadian periodical publishing industry as a whole.
4. To advise as to the financial aspects of the various recommendations suggested to the Commission.

We should like at the beginning of this Report to express our appreciation for the co-operation and assistance received from the Canadian companies under investigation. We experienced difficulties in attempting to secure comparative financial information from publishers in the U.S.A., even though this information was requested on a confidential basis, but we did receive from the American Magazine Publishers' Association copies of their surveys, "The Cost of Magazine Publishing". Excellent co-operation was received from American parent companies of publishers of "Canadian editions" and details of both their Canadian and American financial operations were disclosed to us.

This Report has been broken down into the following divisions:

I—Background and Introduction

II—The major Canadian periodical publishing companies:

- (a) Consumer Magazines
- (b) Business Papers
- (c) Weekends

III—The Canadian companies publishing “Canadian editions” of foreign magazines.

IV—The financial condition of the Canadian periodical publishing industry:

(a) Consumer Magazines

(b) Business Papers

V—Financial Conclusions.

Our comments as to the financial aspects of the various recommendations to the Commission have been given to you as the recommendations were received.

I—BACKGROUND AND INTRODUCTION

We doubt if the average Canadian appreciates the value he receives in the purchase of a magazine. The price he pays for the magazine, be it a single copy or by subscription, contributes only a minor part of the cost of producing the publication.

The desire to obtain readers, therefore, is chiefly important to the publisher in increasing his circulation base to increase advertising rates and revenues. Circulation revenue is, with notable exceptions, incidental.

Since advertising revenues provide by far the major portion of a magazine's income, it is to this revenue that a magazine must look to increase its profits or, indeed, to make any profit at all.

Canadian consumer magazine publishers have claimed for many years that their operations were unprofitable and their claims have become more emphatic and persistent with the advent of “Canadian editions”, “Canadian sections” and “split runs” of foreign magazines. The Canadian publishers have submitted that these “Canadian editions”, “Canadian sections” and “split runs” have made great changes in the advertising content of the magazine read by the Canadian reader, as compared with the original foreign edition, by means of publishing purely Canadian advertisements, but that they have made little change, in the case of “Canadian editions” and “Canadian sections”, or no change, in the case of “split runs”, in the non-advertising reading material or editorial matter. This, state the Canadian publishers, results in the “Canadian editions”, “Canadian sections” and “split runs” receiving a large volume of purely Canadian advertising revenue at little or no editorial cost. In short, the Canadians claimed these foreign magazines were “dumping” editorial matter into Canada, were unfair competition to Canadian publishers and were “poaching” in the Canadian magazines' advertising pool.

The Canadian publishers also have complained about the large amounts of “overflow” circulation from the United States of purely American magazines due to the common language and many common characteristics of our two peoples and have pointed out the harm this has done to Canadian magazines in obtaining advertising for products also sold in the United States as well as their problems in obtaining readers.

Several questions, therefore, defined our task. Are the Canadian magazine publishers suffering as badly as they claim to be? Are these publishers hiding their magazine profits in their other departments, such as commercial printing departments? What is the financial condition of the subsidiary companies publishing “Canadian editions” of foreign magazines? Are they doing no better than the Canadian publishers? How does the Canadian magazine publishing industry compare financially with the industry in other countries? Is the industry in other countries as badly off as that in Canada?

We will attempt on the following pages to provide the answers to the above questions.

II—THE MAJOR CANADIAN PERIODICAL PUBLISHING COMPANIES

To establish background material on the major Canadian publishers a Corporate Questionnaire was drafted and forwarded to each company with the request that it be completed and returned to the Commission office.

This Questionnaire is reproduced below to set forth the nature of the information requested.

ROYAL COMMISSION ON PUBLICATIONS
CORPORATE QUESTIONNAIRE TO PARTICIPANTS

(Answers should be printed or typewritten. If space under any question is insufficient please attach a separate schedule.)

1. Name of Subject Company—
2. Main office address of Subject Company—
3. Province or Country where incorporated—
4. Date of incorporation—
5. Address of Head Office designated in Charter or By-Laws of Company—
6. Address where accounting records are maintained—
7. Chief accounting officer of Subject Company—
Name
Residence Address
8. Please list any changes in Letters Patent since incorporation of Company—
9. The authorized share capital of Subject Company is as follows: (Please list number of shares of each class and par value thereof)

<i>Number of shares</i>	<i>Class of shares</i>	<i>Par value</i>
-------------------------	------------------------	------------------
10. The issued share capital of Subject Company is as follows:

<i>Number of shares</i>	<i>Class of shares</i>	<i>Par value</i>
-------------------------	------------------------	------------------
11. Please list the full name and residence address of each officer of Subject Company as at 31st October, 1960, his position with the Company and the number of common shares registered in the name of each as at that date. (To the extent that it may be known to the Company, note by the notation "trust" which of these shareholdings, if any, were held in trust.)

	<i>Residence</i>		<i>Number of</i>
<i>Name</i>	<i>Address</i>	<i>Position</i>	<i>Common shares</i>
12. Please list the full name and residence address of each Director of Subject Company as at 31st October, 1960, and the number of common shares registered in the name of each as at that date. (To the extent that it may be known to the Company, note by the notation "trust" which of these shareholdings, if any, were held in trust.) Where a director is also an officer of the Company and is listed under 11 above, it is not necessary to list below the number of Common shares registered in his name.

		<i>Number of Common</i>
<i>Name</i>	<i>Residence Address</i>	<i>shares</i>
13. Please list the full name and residence address of each registered common shareholder of Subject Company as at 31st October, 1960, excluding Directors or Officers of the Company. To the extent that it is known to the Company, note the main type of business in which each shareholder is engaged and

REPORT / ROYAL COMMISSION ON PUBLICATIONS

also note by the notation "trust" which of the shareholdings, if any, were held in trust.

<i>Name</i>	<i>Residence Address</i>	<i>Type of business</i>	<i>Number of Common shares</i>
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14. Subsidiaries of Subject Company—
Name *Address*

15. Directors of Subsidiary Companies—
Name *Address*

16. If any Subsidiary Companies are not wholly owned please list the full name and residence address of each registered minority common shareholder of subsidiary as at 31st October, 1960, excluding directors' qualifying shares. To the extent that it is known to the Company, note the main type of business in which each minority common shareholder is engaged and also note by notation "trust" which of the shareholdings, if any, were held in trust.

<i>Name</i>	<i>Residence Address</i>	<i>Type of business</i>	<i>Number of Common shares</i>
-------------	------------------------------	-----------------------------	------------------------------------

17. Companies affiliated with Subject Company—
Name *Residence Address*

18. Directors of Affiliated Companies—
Name *Residence Address*

19. If Subject Company is subsidiary to another Corporation please list names and residence addresses of Directors of Parent Company—
Name *Residence Address*

20. (a) Is any director or officer of Subject Company a director or officer of any other company in the printing, publishing or allied industries, which position has not been referred to above?
(b) If so, give name and address of company and name of director or officer—
Name *Address*

21. Submit for Subject Company, and each of its subsidiaries, copies of unconsolidated annual financial statements for each of the last ten years, complete with supporting schedules as presented to Companies' directors. (Statements supplied will be returned upon request.)

22. If they have been prepared for Subject Company, submit copies of consolidated annual financial statements for each of the last ten years. List the subsidiaries whose figures are included in the consolidated financial statements. (Statements supplied will be returned upon request.)

I certify that the answers provided to this questionnaire are true, correct and complete.

Date.....19.....

.....
SIGNATURE

.....
POSITION

P.O. Box 1501,
Station "B",
Ottawa, Ontario.

Upon the return of the Corporate Questionnaires, we attended at the office of each publishing company, with two minor exceptions, for verification of the information submitted and to obtain such further information as was required.

Questions 21 and 22 of the Corporate Questionnaire requested financial statements for each of the last ten years from the companies. As each of the companies submitted financial statements reported upon by qualified auditors, we made such further tests as we deemed appropriate under the circumstances of each company but we did not carry out a detailed audit of any of the companies.

From the audited financial statements submitted by the companies, and the supplemental information obtained by ourselves, we have prepared and submitted to you for each of the companies, in condensed and comparative form, Balance Sheets, Statements of Surplus, Summaries of Net Profits and Statements of Operations for each consumer magazine, as well as other divisions of the companies for the last ten years.

We comment on the Canadian publishing companies as follows:

a) *Consumer Magazines*

Maclean-Hunter Publishing Company Limited—
Toronto, Ontario.

This company is the largest in the Canadian industry, publishing in 1959 three consumer magazines (*Maclean's Magazine*, *Chatelaine* and *Canadian Homes*), approximately 40 various business publications, *The Financial Post*, *Marketing* and several Surveys and Directories, as well as carrying on other lines of endeavour such as commercial printing, a press clipping service etc. The company has since added two consumer magazines in the French language (*Chatelaine—La Revue Moderne* and *Le Magazine Maclean*).

Maclean-Hunter Publishing Corporation of Chicago, Illinois and Maclean-Hunter Limited of London, England, publishing between them six business publications, are subsidiaries of this company.

Incorporated in 1887, the company presently has approximately 37 common shareholders although control of the company rests with one family and approximately 80% of the common shares are controlled by two families.

The present issued and outstanding capital stock of the company is as follows:

3,456 7% cumulative, voting, first preference shares of par value \$100.00 each	\$345,600.
5,000 common shares of par value \$100.00 each	\$500,000.
	<hr/>
	\$845,600.
	<hr/>

The company's Consolidated Balance Sheet as at 31st December, 1959 discloses a tangible net worth of approximately \$6,678,000. (as adjusted by ourselves). A considerable amount of the company's resources has, however, been invested in real property which is reflected on the Consolidated Balance Sheet at depreciated cost. Although no appraisal has been made of the present day value of the real property and other fixed assets, by the company's own estimate of current replacement values its tangible net worth would be increased to approximately \$14,000,000. Replacement values, of course, do not necessarily reflect values which would be received if the assets were sold.

The company is in an extremely healthy financial condition.

During the past ten years this company has paid to its shareholders dividends of approximately \$1,283,100. as follows:

1950	\$ 64,192
1951	64,192
1952	44,192
1953	659,486
1954	94,780
1955	71,251
1956	71,251
1957	71,251
1958	71,251
1959	71,251
	<hr/>
	\$1,283,097
	<hr/>

The above figures include cash dividends, tax-free stock dividends later redeemed and the income tax paid by the company on the stock dividends.

Further dividends totalling \$71,251., including the applicable tax, were paid in 1960.

During the same ten-year period the company earned net profits after taxes of \$5,422,000. We have adjusted the earnings as shown on the company's audited Financial Statements for several items which have had the effect of increasing the profits to the above amount. These adjustments have consisted chiefly of our allocating expense payments over a period of years (since we considered that the benefits from the payments would be received over a period of years) whereas the company has written the payments off as an expense of one year only.

On the purchase by the company in 1958 of the subscription list of *Canadian Home Journal* for *Chatelaine* no effect or dollar value was given by the Vendor or Purchaser to the liability for unexpired subscriptions of the discontinued magazine. Although this results in a distortion of the percentages of revenue and expenditure of *Chatelaine* for 1958 and 1959 it would have little effect on the results of operations for those years.

The profits for the years 1950 to 1959 inclusive have been earned from the following sources:

Profits before Income Taxes

Business Publications, including <i>Marketing</i>	\$ 4,764,706
Sundry Operations, including Commercial Printing, <i>The Financial Post</i> , Financial Post Corporation Service, Directories, Surveys, Press Clipping Service etc.	5,756,176
	<hr/>
	\$10,520,882
<i>Less: Losses—Consumer Magazines</i>	513,217
	<hr/>
<i>Total Profit before Income Taxes</i>	\$10,007,665
<i>Less: Income Taxes</i>	4,585,605
	<hr/>
<i>Net Profit for Ten Years</i>	\$ 5,422,060
	<hr/>

An analysis of the ten-year losses of the consumer magazines together with their audited circulation for the last six months of 1959 is as follows:

Losses—

	1959 Circulation	Ten Year Results
<i>Chatelaine</i>	745,589	\$1,328,039
<i>Canadian Homes</i>	128,379	616,572
<i>Mayfair</i>	(Sold in 1955)	201,849
		<hr/>
		\$2,146,460
<i>Less: Profits—</i>		
<i>Maclean's Magazine</i>	505,195	1,633,243
		<hr/>
<i>Net Losses, Consumer Magazines, 1950 to</i>		
<i>1959</i>		\$ 513,217
		<hr/>

The above operating figures for consumer magazines reflect the ten-year results before income taxes. If credit is given to the consumer magazines for the savings to the company as a whole through the deduction of the consumer magazine losses from profits otherwise taxable, the ten-year losses of consumer magazines would be reduced to \$258,817. The total revenue of these consumer magazines over this period amounted to \$69,792,332.

We are satisfied that the above figures properly set forth the results of the company's operations for the ten years ended 31st December, 1959 after giving effect to the above-mentioned adjustments made by ourselves. In particular we should point out that the printing of the magazines is done at cost by the company's commercial printing division. Although the printing of the magazines absorbs a considerable amount of the overhead of the commercial printing division, we have found nothing to indicate that this commercial printing division is other than quite efficient.

Maclean's Magazine had turned from a small loss in 1950 to generally increasing and reasonably satisfactory profits up to and including the year 1956. The magazine suffered losses in 1957 and 1958 and turned again to a reasonable profit in 1959.

Except for the years 1951 and 1952, *Chatelaine* had suffered increasingly heavy losses up to the year 1958, at which time the subscription list of *Canadian Home Journal* was acquired. September of 1958 was the initial issue of the combined magazine and the audited average circulation for the last four months of 1958 increased to 779,174 as compared to 464,451 for the month of June 1958. *Chatelaine* then turned to a modest profit in 1959.

Except for the years 1950 and 1956, *Canadian Homes* has shown consistent losses throughout the ten-year period. In 1959 a particularly heavy loss was sustained for the size of the publication.

Mayfair magazine suffered increasingly higher losses each year from 1950 until it was sold in 1955 to Crombie Publishing Company Limited.

Total gross revenues of each of the company's consumer magazines showed an increasing trend up to 1956. *Canadian Homes'* gross revenue declined during 1957, 1958 and 1959 and *Maclean's Magazine* suffered

a decline in 1958 and 1959. The gross revenues of both these magazines, however, as well as *Chatelaine*, increased considerably in 1960.

During the year ended 31st December, 1960 *Maclean's Magazine* turned back to a loss, *Chatelaine* earned a modest profit and *Canadian Homes* continued to increase its loss. The three magazines, in total, operated at a loss. The two new French language publications (*Chatelaine—La Revue Moderne* and *Le Magazine Maclean*) both suffered losses, which might be expected in their introductory period. The initial issue of *Chatelaine—La Revue Moderne* was in October 1960 and the initial issue of *Le Magazine Maclean* was not until March 1961.

The total editorial expenses of all of the company's consumer magazines averaged 10.6% of total revenues during the years 1950 to 1959. This compares with a percentage of 9.7% for six other Canadian magazines, excluding *Reader's Digest*, *Time* magazine, *Weekends* and this Company's magazines, for the same period.

Circulation promotion expenses for the company's consumer magazines were 23.6% of total revenues in 1959 and 25.5% over the ten-year period which compares with 14.9% and 18.8% for the six other Canadian magazines for those periods. As a percentage of circulation revenue this company's consumer magazines spent 123.4% for circulation promotion in 1959 and 110.0% over the ten years as compared with 64.3% and 74.5% for the six other Canadian magazines.

Advertising sales and promotion expenses were 10.3% of total revenue in 1959 and 10.9% over the ten years which compares with 9.3% and 9.1% for the six other Canadian magazines. As a percentage of net advertising revenue this company's magazines spent 12.8% for advertising sales and promotion in 1959 and 14.2% over the ten years as compared with 12.1% and 12.2% for the six other Canadian magazines.

Circulation revenue amounted to 23.2% of total revenues over the ten years as compared with 25.0% for the six other Canadian magazines.

We comment on the company's business publications under that section of this Report.

We have given particular attention to this company since it is such a large factor in the Canadian industry. In general we have found the management and staff to be aggressive and efficient. We would draw your attention to the relatively large amounts spent on the promotion of circulation.

To summarize, we would state that Maclean-Hunter Publishing Company Limited is healthy and prosperous in spite of the losses suffered over the last ten years by its consumer magazines.

Consolidated Frybrook Industries Limited—
Toronto, Ontario.

Incorporated in 1929 as Consolidated Press Limited, this company acquired the net assets and goodwill of a predecessor company of the same name as well as the circulation structure of its publications. The original business was established about 1899.

Control of the company changed hands in 1952 and in 1958 the company changed its name to Consolidated Frybrook Industries Limited, adjusted its authorized and issued capital stock and substantially altered the nature of its operations.

At the end of 1957 the company published the consumer magazines *Saturday Night* and *Canadian Home Journal* as well as *Farmer's Magazine* and seven business publications. It also carried on the business of commercial printing and the preparation and sale of promotional and advertising material under the name "Saturday Night Press".

During 1958 the company sold the subscription lists of *Canadian Home Journal*, *Farmer's Magazine* and all of its business publications together with all of its rights therein as well as disposing of its inventories and other properties relating to the commercial printing department. The company also leased in 1958 the name "Saturday Night Press" and discontinued this department.

During 1958 the company acquired the consumer magazine *Liberty* from Liberty of Canada Limited and also acquired all the assets and undertakings of Frybrook Limited which placed it in the businesses of commercial radio broadcasting, plastic manufacturing and aluminum products as well as its lessened publishing activities.

Since 1958 the company's publishing operations have included only the publication of *Saturday Night* and *Liberty* and have been carried on under the name "Consolidated Press", a division of Consolidated Frybrook Industries Limited.

As at 31st December, 1957 the company's authorized, issued and outstanding capital stock consisted of the following:

100,000 Class "A" shares of No Par Value	} \$732,076
100,000 Class "B" shares of No Par Value	

The tangible net worth of the company at 31st December, 1957 amounted to \$425,703. The company in 1957 transferred to income the amount of \$899,600, representing the portion of subscription proceeds relating to future financial periods and we have reversed this transfer in computing the above tangible net worth. Fixed assets were appraised in 1928 and have been carried by the company at appraised value with subsequent additions at cost and appropriate deductions for depreciation. No attempt has been made to estimate current values of fixed assets in computing 1957 tangible net worth.

In 1952 the company changed its fiscal year end from 31st March to 31st December.

During the 4½ years ended 31st December, 1954 the company paid the following dividends to its shareholders:

Period ended	
31st March 1951	\$ 48,754
31st March 1952	65,006
31st December 1952	—
(nine months)	
31st December 1953	65,005
31st December 1954	16,251
	<hr/>
	\$195,016
	<hr/>

No dividends were paid from 1955 to 1957. The company greatly enlarged its activities in 1958.

Since *Liberty* magazine was not published by this company prior to 1958 we will comment upon its operations separately below.

During the 9½ year period ending 31st December, 1959 the company suffered losses on its publications (excluding *Liberty* magazine) of \$2,728,275, broken down as follows:

Consumer Magazines	\$2,247,839
<i>Farmer's Magazine</i>	329,880
Business Publications	150,556
	<hr/>
	\$2,728,275
	<hr/>

An analysis of the 9½ year losses of the consumer magazines with the audited average circulation for the six months ended 31st December, 1959 is as follows:

	1959 Circulation	9½ Year Losses
<i>Saturday Night</i>	75,439	\$1,645,294
<i>Canadian Home Journal</i>	Discontinued May, 1958	602,545
		<hr/>
Total Losses, Consumer Magazines 1950 to 1959		\$2,247,839
		<hr/>

The above losses do not take into account the effect of income taxes. Prior to 1958, when printing and publishing were the only activities carried on, the company as a whole enjoyed only one profitable year which was the year ended 31st March, 1951, the first year covered by our investigation. The addition to the company's activities in 1958 of commercial radio broadcasting, plastic manufacturing and aluminum products had the effect of giving the company the income tax advantage of deducting the losses of one division of a company from the profits of another and of carrying forward losses of preceding years against future profits. After giving effect to the saving in income taxes through the application of prior years' publication losses and the deduction of publication losses from otherwise taxable profits, the company can be considered to have suffered "after tax" losses of approximately \$1,386,000 from the operation of all its publications (excluding *Liberty* magazine) and \$1,146,000 from *Saturday Night* and *Canadian Home Journal* alone during the 9½ year period from 1950 to 1959.

The above figures do not include the proceeds received by the company on the sales in 1958 of the subscription lists of *Canadian Home Journal*, *Farmer's Magazine* or its business publications, nor do they include the revenue from unexpired subscriptions not deducted from the sale price of the *Canadian Home Journal* subscription list.

The company's commercial printing division printed company publications at cost but this absorbed a considerable amount of the overhead of the printing division. Although the printing division earned a profit from all sources in each of the years from 1950 to 1958, only in the years 1951 and 1952 did the printing division profit exceed the total publication losses. The excess in 1952 was nominal.

Liberty magazine, published until 31st December, 1957 by Liberty of Canada Limited and thereafter by Consolidated Frybrook Industries Limited, earned a total profit, after income taxes, of \$348,549 in the ten years from 1950 to 1959 on total revenues of \$10,553,773 during that period.

The consumer magazine *Saturday Night* has shown large losses, in relation to the size of the publication, in each of the ten years. *Canadian Home Journal* earned profits in 1950 and 1951 but suffered almost steadily increasing losses until it was discontinued in 1958. The profits of *Liberty* magazine fluctuated widely during the ten-year period but became smaller in the later portion of the period. Only in 1954 did *Liberty* magazine suffer a loss.

We comment on the company's business publications under that section of this Report.

In summarizing we would state that, although we are of the opinion that the operations of the company may not always have been well-managed, even with a change in ownership and management the company did not earn profits from periodical publishing, with the single exception of *Liberty* magazine.

Poirier, Bessette et Compagnie Limitée—
Montreal, Quebec

Incorporated in 1929 and owned by the Poirier family, this company publishes the consumer magazines *La Revue Populaire* and *Le Samedi*.

This company is the only one devoted almost entirely to the production of purely Canadian consumer magazines since, although it has an affiliated company in the commercial printing business, the activities of it and its affiliate in other fields are quite limited.

The company is not large and its operating results over the last ten years have been less than satisfactory.

Mitchell Press Limited—
Vancouver, British Columbia

This company was incorporated in 1928 under the name "Financial News Publishing Co. Ltd." and the present name was adopted in 1950.

Controlled by Mr. Howard T. Mitchell, the company has the following wholly-owned subsidiaries:

Mitchell Press (Eastern) Limited

Mitchell Printing & Publishing Co. Ltd. (now inactive)

B.C. Timber Industries Journal Ltd. (now inactive)

During the ten fiscal years ended 29th February 1960, the company and its subsidiaries have published the consumer magazine *Western Homes and Living* and five business publications as well as carrying on a commercial printing business. The companies in their entirety are not large and the publication of *Western Homes and Living*, with its circulation limited almost entirely to the province of British Columbia, has not been profitable.

We comment on the companies' business publications under that section of this Report.

University Press of New Brunswick, Limited—
Fredericton, New Brunswick.

This company and its wholly-owned subsidiary, Brunswick Press

Limited, publish the newspaper *The Daily Gleaner*, the consumer magazine *Atlantic Advocate* and a variety of books. They also carry on a commercial printing business as well as lithography and bookbinding.

With three-quarters of its circulation in the four Atlantic provinces, the *Atlantic Advocate* has not been profitable.

Crombie Publishing Company Limited—
Toronto, Ontario.

Incorporated in 1955, this company acquired that year the consumer magazine *Mayfair* from Maclean-Hunter Publishing Company Limited.

Mayfair has suffered considerable losses and we understand the magazine is no longer published.

b) *Business Papers*

Consolidated Frybrook Industries Limited—
Toronto, Ontario.

The background of this company and its publications has been outlined under the classification "Consumer Magazines" and, as stated therein, the company published seven business publications until selling their subscription lists in 1958.

The business papers earned small profits between 1950 and 1952 but suffered losses from then until their disposal in 1958.

Net losses from business papers from 1st April, 1950 until their disposal in 1958 amounted to \$150,556 before taking into account any income tax savings to the other divisions of the company or the proceeds on sale of the subscription lists.

The Hugh C. MacLean Publications Limited—
Toronto, Ontario.

Incorporated in 1920, this company and its subsidiaries were amalgamated in 1959 and control of the company was acquired by The Southam Company Limited in 1960. The name has recently been changed to Southam-MacLean Publications Limited.

The company presently publishes 19 business publications and a daily building report service as well as operating the Canadian Furniture Mart. Until 1957 the company carried on a commercial printing business and printed its own publications.

The company has been profitable, is increasing its profits and is now enjoying an excellent return.

The Maclean-Hunter Publishing Company Limited—
Toronto, Ontario.

The background and operations of this company have been reviewed under the classification "Consumer Magazines" and, as stated therein, profits before taxes over the years 1950 to 1959 have totalled \$4,764,706 from its approximately 40 business publications together with *Marketing*. This represents a profit after income taxes of \$2,590,124 during that period.

Gross revenues have increased each year during the ten years but the percentage of profit has not.

Mitchell Press Limited—
Vancouver, British Columbia.

The background of this company and its operations have also been reviewed under the classification "Consumer Magazines".

The five business publications, as with most business paper publishers, include both profitable and unprofitable publications and the combined operating results have been somewhat erratic and less than satisfactory.

National Business Publications Limited—
Gardenvale, Quebec.

This company and its wholly-owned subsidiary, Federal Publications Limited, publish twelve business publications. They do not print their own publications.

The companies have a history of good earnings although their gross revenues and profits have declined in the last two years.

Stovel-Advocate Publications Ltd.—
Winnipeg, Manitoba.

This company was incorporated in 1909 and in 1954 changed its name from Home Publishing Company Limited to Stovel-Advocate Publications Ltd.

Publisher of the consumer magazine the *National Home Monthly* until its discontinuance in 1950, the company now publishes eight business publications.

At 31st December, 1959 the company was a wholly-owned subsidiary of Stovel-Advocate Press Limited which printed its publications.

During the past seven years the company has earned fluctuating, although generally reasonable, profits from its publications.

Wallace Publishing Company Limited—
Montreal, Quebec.

Incorporated in 1953, this company and its subsidiary, Holliday Publications Limited, which was organized about 1949, publish 14 business publications. During 1960 an additional subsidiary, Passing Show Publishing Co. Ltd., was acquired. This company publishes the consumer magazine *The Montrealer*.

Wallace Press Limited, an affiliated company, prints the companies' publications.

The Montrealer has not been published long enough by this publisher to enable us to study its operations.

Gross revenues of the companies' business publications have increased each year for the past ten years and the companies have been profitable over the past eight years although the profits have fluctuated.

c) *Weekends*

Toronto Star Limited—
Toronto, Ontario.

This company publishes both a daily newspaper, the *Toronto Daily Star*, and a weekly, the *Star Weekly*.

Although profitable during the years 1950 to 1953, the operating results of the *Star Weekly* have steadily declined. Substantial losses were suffered in the years 1956 to 1959.

The decline in operating results can be chiefly attributed to the increasing competition for advertising revenue from various sources including *Weekend* and television as well as the "Canadian Editions" of U.S. magazines.

Montreal Standard Publishing Co. Limited—
Montreal, Quebec.

Publishers of *Weekend Magazine/Perspectives* and *The Standard* this company is a subsidiary of The Montreal Star Company, Limited and has authorized, issued and outstanding capital stock of \$50,000.

Weekend magazine was first published in September 1951 and the first issue of *Perspectives* appeared in September 1959.

Both publications are "tied in" to individual newspapers across the country as weekend supplements. *Weekend* magazine is published in the English language and *Perspectives* is a French language publication.

Weekend magazine has shown almost steadily increasing net profits from 1952 to 1957 which have remained reasonably constant and substantial through to 1960. Gross revenues, which are almost exclusively from advertising, have increased each year.

The success of the venture has been such that the newspapers carrying the publications have received the supplements free of charge in 1955 and subsequent years and have also received a refund from this publisher in those years.

III—THE CANADIAN COMPANIES PUBLISHING "CANADIAN EDITIONS" OF FOREIGN MAGAZINES

The publishers of the "Canadian editions" of the two magazines *Reader's Digest* and *Time* are the only companies presently in this classification and both companies are Canadian subsidiaries of U.S. parent corporations.

As with the Canadian publishers, a Corporate Questionnaire, of which a copy has previously been reproduced in this Report, was also sent to each of these companies and when the Questionnaires were returned, together with the required financial statements, we also found that the financial statements were reported upon by qualified auditors.

We therefore attended at the offices of each of the companies to obtain supplemental information and we have prepared and submitted to you from the audited financial statements and the supplemental information, in condensed and comparative form, Balance Sheets, Statements of Surplus, Summaries of Net Profits and Statements of Operations for the last ten years for each company.

We comment on the two companies as follows:

Reader's Digest Association (Canada) Ltd.
Sélection du Reader's Digest (Canada) Ltée.—
Montreal, Quebec

This company was incorporated in December 1943 and is a subsidiary of The Reader's Digest Association Inc. of Pleasantville, New York, U.S.A.

It has an issued and outstanding capital stock of \$10,000. and a tangible net worth at 31st December 1959 of \$1,766,487. If present day values of fixed assets were included this tangible net worth would be increased to approximately \$2,500,000. Present day values do not, however, necessarily reflect the values which would be received if the fixed assets were sold.

The company is in an excellent financial condition.

Dividends to the parent company during the ten-year period from 1950 to 1959 have amounted to \$4,379,954. and were paid as follows:

1950	\$ 247,117
1951	82,837
1952	400,000
1953	—
1954	600,000
1955	550,000
1956	600,000
1957	700,000
1958	600,000
1959	600,000
	<hr/>
	\$4,379,954
	<hr/>

Further dividends of \$1,500,000. were paid to the parent company in 1960.

Total net profits after taxes from 1950 to 1959 were \$6,000,089. of which \$3,588,639. was earned from the combined English and French language editions of *Reader's Digest*. The balance was earned from condensed books and other publications.

Except for the excise tax on magazine advertising in 1957 and 1958 and downward profit trends in 1954 and 1955, the magazines alone have experienced excellent growth in the ten years, increasing from a profit after taxes of \$276,200. in 1950 to one of \$576,328. in 1959.

The excise tax on magazine advertising, in effect for the full year of 1957 and for six months of 1958, reduced the company's profits before taxes by the following amounts:

1957	\$ 536,889
1958	298,377
	<hr/>
	\$ 835,266
	<hr/>

The company has not paid the tax but has deposited funds in lieu thereof pending the outcome of its litigation with the Government of Canada in connection with this tax.

Gross revenues of the magazines have advanced each year from 1950 to 1959 and totalled \$43,862,953. for the ten years. The magazines' net profits after taxes, therefore, have averaged 8.2% of gross revenues over that period.

1960 operating results have been comparable to 1959 with the combined English and French language magazines earning a net profit after taxes of over \$575,000. Gross revenues of the magazines continued to increase in 1960.

The company conducts the bulk of its operations from its head office in Montreal. Printing of the magazines is done by Ronalds-Federated Limited of Montreal under an agreement with the company.

Circulation revenues, as distinct from advertising revenues, have been an important part of the earnings of the magazines, representing 37.4% of total revenue for 1959 and averaging 40.3% of total revenues from 1950 to 1959. The average of nine other Canadian consumer magazines,

excluding the "Canadian editions" of *Reader's Digest* and *Time*, during this ten-year period was 23.8% of total revenues.

By agreement this company pays a stipulated amount to its parent company for the use of editorial material from the parent U.S. edition of the magazine based on the number of copies of the "Canadian edition" sold. The total editorial expense of the magazines, including the payments to the parent company as well as additional expenses incurred by the Canadian company, averaged 6.7% of total revenues during the years 1950 to 1959. This compares with a percentage of 10.3% for the nine Canadian consumer magazines, excluding the "Canadian editions" of *Reader's Digest* and *Time*, for the same period.

Circulation promotion expenses were 19.4% of total revenues in 1959 and 14.9% over the ten-year period which compares with 21.8% and 23.2% for the nine Canadian consumer magazines. As a percentage of circulation revenue this company's magazines spent 51.8% for circulation promotion in 1959 and 37.0% over the ten years as compared with 109.1% and 97.3% for the nine Canadian magazines. Circulation promotion expense per magazine sold has also been less than most Canadian magazines. The company has not, therefore, used its editorial savings on the promotion of circulation.

Advertising sales and promotion expenses have, however, been 12.0% of total revenue in 1959 and 10.8% over the ten years which compares with 10.1% and 10.3% for the nine Canadian consumer magazines. As a percentage of net advertising revenue this company's magazines spent 19.2% for advertising sales and promotion in 1959 and 18.2% over the ten years as compared with 12.6% and 13.5% for the nine Canadian consumer magazines.

This company's magazines spend less on circulation promotion but more on advertising promotion than the average of the nine Canadian magazines.

To sum up we would state that this company has an enviable record of profits and growth from its magazines, culminating in an excellent financial condition as well as substantial dividends to its parent company.

Time International of Canada Ltd.—

Montreal, Quebec.

Incorporated in June 1952 this company is a wholly-owned subsidiary of Time Incorporated of New York, N.Y., U.S.A.

With its nominal head office in Montreal this company's chief resident Canadian officer is located in Toronto although the bulk of its activities are carried on at the offices of its parent or affiliated companies in New York or Chicago.

The company has an issued and outstanding capital stock of \$100,000 and a tangible net worth at 31st December 1959 of \$2,283,017. It has little invested in fixed assets.

No dividends were paid from incorporation of the company to 31st December 1959 although at that date the parent company had received advances totalling \$2,983,414 from this company, which advances were substantially repaid in 1960. Dividends of \$1,000,000 were declared to the parent company in 1960 and the Canadian company invested \$2,882,734 in Canadian government securities.

The company is in an excellent financial condition.

Although the "Canadian edition" of the magazine was first published in

1943, since the Canadian company was not established until June 1952, we have limited our financial study to the 7½ years ending 31st December 1959.

As referred to previously, most of this company's operations are conducted from the offices of, and by personnel of, its parent or affiliated companies in New York or Chicago. Many of the company's expenses are, therefore, apportionments of all the expenses of the various international editions of the magazine or apportionments of expenses of all the magazines published by the group of companies including the U.S. parent edition of *Time* magazine and, in some cases, *Life* magazine and *Sports Illustrated*. In 1959, for example, expenses of the Canadian company, excluding paper, printing, binding and foreign exchange, totalled \$2,050,466 of which \$1,344,639 was apportioned in various ways from its parent company. Most of the apportionments appear to be based on reasonable allocations or some form of time-study although a few are based on somewhat arbitrary allocations between the various divisions or magazines. It is difficult to state accurately the results of the "Canadian edition" alone.

Editorial matter has been charged to the Canadian company, since its inception, on a basis of 50¢ per copy of average annual circulation and the company has submitted that this charge does not reflect the true editorial cost of the "Canadian edition" and that its annual audited financial statements would, therefore, overstate the profits of the "Canadian edition". The company has made estimates of the total editorial cost of the "Canadian edition" and has also stated that management fees charged to the Canadian company do not reflect the true cost of the time spent by senior executives on the "Canadian edition".

While these submissions by the company may be true, and we believe insufficient amounts have been charged for editorial matter, we find it difficult not to accept the audited financial statements of the company.

With qualifications as to the above matters we will comment on the company's operations.

The company publishes only the "Canadian edition" of *Time* magazine and has shown, except for the excise tax on magazine advertising in 1957 and 1958, increased profits each year from a net profit after taxes of \$104,590 in the six months of 1952 to \$442,400 for the year 1959. Net profits after taxes for the 7½ years totalled \$2,183,017.

The excise tax on magazine advertising, in effect for the full year 1957 and for six months of 1958, reduced the company's profits before taxes by the following amounts:

1957	\$514,571
1958	220,765
	<hr/>
	\$735,336
	<hr/>

Except for a decline in 1958, the company's gross revenues have increased each year from 1952 to 1959 and have totalled \$27,013,248 for the 7½ years. Net profits after taxes have, therefore, averaged 8.1% of gross revenues over those years.

During 1960 gross revenues and profits continued to advance and unaudited financial statements for that year show a net profit after taxes of \$583,885.

Circulation revenues, as distinct from advertising revenues, represented 26.1% of total revenues for both the year 1959 and the 7½-year period ending 31st December 1959. This compares with the average of nine Canadian consumer magazines, excluding the "Canadian editions" of *Reader's Digest* and *Time*, of 23.8% for the ten-year period ending 31st December 1959.

As previously referred to, the company pays 50¢ per average annual copy of the magazine sold for all editorial matter which has amounted to only 2.3% of gross revenue for both the year 1959 and the 7½ years ending 31st December 1959. The company contends that it has not been charged the true cost of editorial services by its parent or affiliated companies.

Circulation promotion is handled primarily by the circulation department of *Time* U.S. magazine. Some of the expenses for the "Canadian edition" can be directly ascertained, others are allocated between the Canadian and U.S. editions of the magazine, and in addition a fee of a somewhat arbitrary amount is charged by the U.S. circulation department. The circulation promotion expense of the "Canadian edition" amounted to 6.7% of gross revenue in 1959 and averaged 6.5% for the 7½ years ended 31st December 1959. This compares with 21.8% for 1959 and 23.2% for the ten years ended 1959 for nine Canadian magazines, excluding the "Canadian editions" of *Reader's Digest* and *Time*. As a percentage of circulation revenue this company spent 25.8% for circulation promotion in 1959 and 25.0% over the ten years, as compared with 109.1% and 97.3% for the nine Canadian magazines.

Advertising sales and promotion costs are allocated to the "Canadian edition" from the costs of all international editions on the basis of its budgeted advertising revenue compared to the budgeted advertising revenue of all international editions of the magazine. This results in a somewhat arbitrary allocation and the advertising sales and promotion expenses of the "Canadian edition" amounted to 15.2% of gross revenue in 1959 and 16.4% for the 7½ years ending 31st December 1959. This compares with 10.1% for 1959 and 10.3% for the ten years ended 1959 for the nine Canadian magazines. Expressed as a percentage of net advertising revenue this magazine's advertising sales and promotion expense amounted to 20.6% in 1959 and averaged 22.3% for the 7½ years ended in 1959, as compared with 12.6% for 1959 and 13.5% for the ten years ended in 1959 for the nine Canadian consumer magazines.

This company also spends less on circulation promotion but more on advertising promotion than the average of the nine Canadian magazines.

The "Canadian edition" of the magazine is printed in Chicago, Illinois.

In summary, we would state that the company's financial condition is excellent and that, even though some expenses may be under-stated because of various arbitrary allocations by the parent company, the "Canadian edition" of the magazine has, nevertheless, been very profitable since the inception of the Canadian company.

IV—THE FINANCIAL CONDITION OF THE CANADIAN PERIODICAL PUBLISHING INDUSTRY

a) *Consumer Magazines*

We enclose herewith the following schedules in connection with the Canadian consumer magazine industry generally:

- Schedule No. 1—Condensed Comparative Statements of Operations for the Five Year Period 1955 to 1959 inclusive of Canadian Consumer Magazine (excluding *Reader's Digest*, *Time* and weekends).
- Schedule No. 2—Condensed Comparative Statements of Operations for the Five Year Period 1955 to 1959 inclusive of the Consumer Magazine Division of Maclean-Hunter Publishing Company Limited.
- Schedule No. 3—Condensed Comparative Statements of Operations for the Five Year Period 1955 to 1959 inclusive of Six Canadian Consumer Magazines (excluding *Reader's Digest*, *Time*, weekends and publications of Maclean-Hunter Publishing Company Limited).
- Schedule No. 4—Condensed Comparative Statements of Operations for the Five Year Period 1955 to 1959 inclusive of "Canadian Editions", being the French and English language editions of *Reader's Digest* as well as *Time* magazine—all combined.
- Schedule No. 5—Condensed Comparative Statements of Operations for the Five Year Period 1955 to 1959 inclusive of the Consumer Magazine Division of Reader's Digest Association (Canada) Ltd.
- Schedule No. 6—Condensed Comparative Statements of Operations for the Five Year Period 1955 to 1959 inclusive of Time International of Canada Ltd.

Schedule No. 1 contains the combined operating results of nine Canadian consumer magazines including *Canadian Home Journal* which discontinued publication after the June issue of 1958. *Mayfair*, also no longer published, is not included in the count of nine but is included in the Statement for 1955 only. Complete audited figures for this magazine were not available for later years.

Gross revenues and operating results fluctuated widely over the period. During the five years the Canadian magazines' losses totalled \$2,327,809, or almost 4% of total revenues.

The small profit in 1956 arose from the large increase in advertising revenues of that year and the large loss in 1957 was chiefly caused by the additional \$746,000. spent on circulation promotion. The improvement in 1958 resulted from the suspension of losses of the *Canadian Home Journal* and the resultant betterment of *Chatelaine*, and the further improvement in 1959 reflects the continued betterment of *Chatelaine* and the drop in circulation promotion expenses.

It should be noted that circulation promotion expenses exceeded circulation revenue in each year except 1955. Production and distribution expenses decreased over the period but administrative and sundry expenses increased in 1958 and again in 1959. The decrease in subscription revenue in 1959 reflects the servicing, without charge, of the additional *Canadian Home Journal* subscribers acquired by *Chatelaine*.

Since Maclean-Hunter Publishing Company Limited is such a dominant factor in the Canadian industry, the operating results of this company's consumer magazines for the five-year period have been shown separately on Schedule No. 2. It will be noted that with over two-thirds of the total revenue of the nine Canadian consumer magazines (excluding *Reader's Digest* and *Time*) this company's losses amounted to slightly less than half of the total losses. Its losses were \$1,073,938. for the five-year period or 2.6% of total revenue. The large circulation promotion expense should also be noted.

The five-year operations of six Canadian magazines, other than the publications of Maclean-Hunter Publishing Company Limited, are set forth on Schedule No. 3 and show a total loss of \$1,253,871. over the period or 6.8% of total revenue. The decline in revenues and losses in 1958 and 1959 following the discontinuance of *Canadian Home Journal* is significant. The decline in losses in 1956 resulted from an increase in advertising revenues for that year.

Schedule No. 4 contains the combined operating results of the two "Canadian editions" of *Reader's Digest* and *Time* magazine and shows a trend of increasing gross revenues and increasing profits disturbed only by the excise tax on magazine advertising in 1957 and six months of 1958. Total profits before income taxes over the five years have been \$6,567,701. or 14.4% of total revenues and would have been 17.8% of total revenues without the excise tax.

These "Canadian edition" magazines earned more from circulation revenue in the five years than did the Canadian consumer magazines included in Schedule No. 1 and yet spent less than half as much in promoting circulation. Production and distribution expenses are considerably lower than the magazines included in Schedule No. 1 but this can be attributed to the small page size of *Reader's Digest* and the fact that *Time* magazine is printed in Chicago by the printer of the parent U.S. edition. Expressed as a percentage of total revenue the editorial expenses represent about one-half of the expenditure of the Schedule No. 1 magazines although *Time* magazine contends that it has not been charged proper amounts by its parent company. These magazines spent slightly more on advertising sales and promotion during the five years than did the Schedule No. 1 magazines and obtained slightly more than two-thirds of their advertising revenues.

Schedule No. 5 sets forth the operating results for the five years from 1955 to 1959 for the English and French editions of *Reader's Digest* resulting in a total profit before income taxes for the period of \$3,670,841. or 14.1% of total revenues. Without the excise tax on magazine advertising this profit would have been 17.3% of total revenues. The increasing trend of gross revenues and profits, high percentages of subscription income, low percentages of production, editorial, administrative and circulation promotion expenses and the high percentages of advertising sales and promotion costs are evident from this Schedule.

Schedule No. 6 contains the operating results of the "Canadian edition" of *Time* magazine for the same five-year period which resulted in a profit before income taxes of \$2,896,860. or 14.8% of total revenues. These profits would have been 18.5% of total revenues without the excise tax on magazine advertising. For this magazine we point out the increasing trend of gross revenues and profits, the low percentages of editorial, circulation promotion, and production costs and the high percentages of advertising sales and promotion costs. As noted on the Schedule the company contends that it should have been charged a higher rate for editorial material from its parent edition.

As previously mentioned in this Report, we attempted to conduct our own survey of operating results of foreign publishers but received little information from the publishers and we were instead furnished with cost surveys from the Magazine Publishers Association prepared by Messrs. J. K. Lasser & Company for this association of U.S. consumer magazine

publishers. Messrs. J. K. Lasser & Company report that the publications represent a good cross-section of the membership of the Association.

We have prepared and submitted to you Schedules in similar form to compare the operations and costs of all Canadian magazines with the U.S. magazines reported on the Association survey.

It is evident from these Schedules that U.S. magazines have also had profit problems, although a recovery had occurred in 1959. The American magazines are, however, considerably more profitable than the nine Canadian magazines reported on Schedule No. 1 attached hereto.

The "Canadian editions" of *Reader's Digest* and *Time* are, in turn, considerably more profitable than the American magazines although we would point out that neither of the U.S. editions of *Reader's Digest* or *Time* are included in the American survey.

b) *Business Papers*

In addition to the seven publishers of business publications reviewed earlier in this Report we mailed Financial Questionnaires to 25 companies publishing 79 business publications of which 46 Questionnaires were returned by 13 companies. We did not independently verify the returns.

From the returned Questionnaires and the information obtained from the seven companies, we have prepared and submitted to you Condensed Comparative Statements of Operations classified by volume of advertising revenue for each of the last five years, in comparison with results for U.S. publishers obtained from cost surveys prepared for Associated Business Publications, an association of U.S. business paper publishers.

We have also been furnished with cost surveys for the past ten years as prepared for the Business Newspapers Association of Canada.

From our investigation and the various surveys we have found that Canadian business papers are in a generally healthy condition in comparison with the U.S. industry. The smaller publications, in particular, have shown declining earnings in the last few years but this is not peculiar to the Canadian industry.

V—CONCLUSIONS

From our investigations and the foregoing observations we draw the following conclusions:

1. Canadian consumer magazines are not in a healthy condition, as compared with either the "Canadian editions" of *Reader's Digest* and *Time*, or U.S. magazine publishers.
2. The Canadian subsidiary companies publishing "Canadian editions" of *Reader's Digest* and *Time* are in a healthy condition by any comparison.
3. Canadian business papers are, as a whole, in a healthy condition.
4. Canadian consumer magazines spend large amounts on the promotion of circulation.
5. The "Canadian editions" of *Reader's Digest* and *Time* spend lesser amounts than the other Canadian magazines on editorial costs and circulation promotion but spend larger amounts on the promotion and sale of advertising.

Respectfully submitted,

(signed) JAMES M. DUNWOODY
of JAMES M. DUNWOODY & COMPANY

SCHEDULE NO. 1
CANADIAN CONSUMER MAGAZINES

(excluding Reader's Digest, Time and weekends)

Condensed Comparative Statements of Operations for the Five Year Period 1955 to 1959 inclusive

	Total 5 Years		1959		1958		1957		1956		1955	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Revenue												
Net Advertising	45,678,839	76.5	9,487,084	80.0	8,672,812	75.0	9,283,206	75.8	9,374,331	76.3	8,861,406	75.5
Circulation—												
Subscription	11,606,214	19.4	1,914,260	16.1	2,448,250	21.2	2,478,828	20.2	2,403,069	19.6	2,361,807	20.1
Single Copy	2,412,565	4.1	457,892	3.9	442,111	3.8	492,565	4.0	506,680	4.1	513,317	4.4
Total Circulation	14,018,779	23.5	2,372,152	20.0	2,890,361	25.0	2,971,393	24.2	2,909,749	23.7	2,875,124	24.5
TOTAL REVENUE	59,697,618	100.0	11,859,236	100.0	11,563,173	100.0	12,254,599	100.0	12,284,080	100.0	11,736,530	100.0
Expenses												
Production and Distribution	27,745,573	46.5	5,343,670	45.0	5,251,692	45.4	5,821,646	47.5	5,747,805	46.8	5,580,760	47.5
Advertising Sales and Promotion	6,337,170	10.6	1,197,607	10.1	1,239,472	10.7	1,383,798	11.3	1,249,241	10.2	1,267,052	10.8
Circulation Promotion	15,282,245	25.6	2,588,776	21.8	3,346,253	28.9	3,669,771	30.0	2,923,635	23.8	2,753,810	23.5
Circulation Fulfillment	2,588,178	4.3	461,123	3.9	580,987	5.0	517,110	4.2	527,120	4.3	501,838	4.3
Editorial	6,102,834	10.2	1,276,882	10.8	1,128,429	9.8	1,307,713	10.7	1,179,422	9.6	1,210,388	10.3
Administrative and Sundry	3,969,427	6.7	1,016,045	8.6	852,836	7.4	703,221	5.7	641,441	5.2	755,884	6.4
TOTAL EXPENSES	62,025,427	103.9	11,884,103	100.2	12,399,669	107.2	13,403,259	109.4	12,268,664	99.9	12,069,732	102.8
Profit or (Loss) before Income Taxes	(2,327,809)	(3.9)	(24,867)	(0.2)	(836,496)	(7.2)	(1,148,660)	(9.4)	15,416	0.1	(333,202)	(2.8)

NOTES:

1. Some magazines, the operating results of which are included in the above statement, record subscription income on a "received" basis rather than an "earned" basis. The amount involved would, however, make little difference to the above results.
2. The above statement does not include all Canadian consumer magazines since some magazines are no longer published and the required information could not be obtained. The statement includes a representative group of nine magazines.
3. *Canadian Home Journal* discontinued publication with the June issue of 1958 and the circulation was absorbed by *Chatelaine* with the September issue of 1958.

SCHEDULE NO. 2
CONSUMER MAGAZINE DIVISION
OF MACLEAN-HUNTER PUBLISHING COMPANY LIMITED
(representing Maclean's, Chatelaine, Canadian Homes and Mayfair)

Condensed Comparative Statements of Operations for the Five Year Period 1955 to 1959 inclusive

	Total 5 Years		1959		1958		1957		1956		1955	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Revenue												
Net Advertising	31,788,046	77.0	7,587,850	80.8	6,283,310	75.7	6,088,434	75.6	6,031,351	75.9	5,797,101	76.4
Circulation—												
Subscription	8,735,155	21.2	1,651,999	17.6	1,895,494	22.8	1,810,439	22.5	1,756,836	22.1	1,620,387	21.4
Single Copy	751,300	1.8	146,941	1.6	125,325	1.5	153,153	1.9	160,493	2.0	165,388	2.2
Total Circulation	9,486,455	23.0	1,798,940	19.2	2,020,819	24.3	1,963,592	24.4	1,917,329	24.1	1,785,775	23.6
TOTAL REVENUE	41,274,501	100.0	9,386,790	100.0	8,304,129	100.0	8,052,026	100.0	7,948,680	100.0	7,582,876	100.0
Expenses												
Production and Distribution	17,323,651	42.0	3,938,608	42.0	3,450,524	41.6	3,345,937	41.5	3,320,894	41.8	3,267,688	43.1
Advertising Sales and Promotion	4,559,577	11.0	967,821	10.3	947,427	11.4	933,950	11.6	855,275	10.8	855,104	11.3
Circulation Promotion	11,381,424	27.6	2,220,341	23.6	2,618,911	31.5	2,804,771	34.8	1,957,348	24.6	1,780,053	23.5
Circulation Fulfillment	1,789,274	4.3	346,828	3.7	450,819	5.4	350,616	4.4	337,947	4.2	303,064	4.0
Editorial	4,325,245	10.5	1,020,563	10.9	825,428	10.0	866,408	10.8	795,130	10.0	817,716	10.8
Administrative and Sundry	2,969,268	7.2	804,969	8.6	631,821	7.6	516,204	6.4	449,891	5.7	566,383	7.4
TOTAL EXPENSES	42,348,439	102.6	9,299,130	99.1	8,924,930	107.5	8,817,886	109.5	7,716,485	97.1	7,590,008	100.1
Profit or (Loss) before Income Taxes	(1,073,938)	(2.6)	87,660	0.9	(620,801)	(7.5)	(765,860)	(9.5)	232,195	2.9	(7,132)	(0.1)

NOTES:
1. Mayfair was sold to another publisher in December 1955 and is, therefore, not included in 1956 and subsequent years.
2. Commencing with the September issue of 1958 the circulation of Canadian Home Journal was absorbed by Chatelaine.
3. Corporate revenue and expenses, not directly apportioned to publications, have been allocated and included in Administrative and Sundry expenses above.

SCHEDULE NO. 3
SIX CANADIAN CONSUMER MAGAZINES
(excluding Reader's Digest, Time, weekends and publications of Maclean-Hunter Publishing Company Limited)
Condensed Comparative Statements of Operations for the Five Year Period 1955 to 1959 inclusive

	Total 5 Years		1959		1958		1957		1956		1955	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Revenue												
Net Advertising	13,890,793	75.4	1,899,234	76.8	2,389,502	73.3	3,194,772	76.0	3,342,980	77.1	3,064,305	73.8
Circulation —												
Subscription	2,871,059	15.6	262,261	10.6	552,756	17.0	668,389	15.9	646,233	14.9	741,420	17.8
Single Copy	1,661,265	9.0	310,951	12.6	316,786	9.7	339,412	8.1	346,187	8.0	347,929	8.4
Total Circulation	4,532,324	24.6	573,212	23.2	869,542	26.7	1,007,801	24.0	992,420	22.9	1,089,349	26.2
TOTAL REVENUE	18,423,117	100.0	2,472,446	100.0	3,259,044	100.0	4,202,573	100.0	4,335,400	100.0	4,153,654	100.0
Expenses												
Production and Distribution	10,421,922	56.6	1,405,062	56.8	1,801,168	55.3	2,475,709	58.9	2,426,911	56.0	2,313,072	55.7
Advertising Sales and Promotion	1,777,593	9.7	229,786	9.3	292,045	8.9	449,848	10.7	393,966	9.1	411,948	9.9
Circulation Promotion	3,900,821	21.2	368,435	14.9	727,342	22.3	865,000	20.6	966,287	22.3	973,757	23.4
Circulation Fulfillment	798,904	4.3	114,295	4.6	130,168	4.0	166,494	4.0	189,173	4.3	198,774	4.8
Editorial	1,777,589	9.6	256,319	10.4	303,001	9.3	441,305	10.5	384,292	8.9	392,672	9.5
Administrative and Sundry	1,000,159	5.4	211,076	8.5	221,015	6.8	187,017	4.4	191,550	4.4	189,501	4.6
TOTAL EXPENSES	19,676,988	106.8	2,584,973	104.5	3,474,739	106.6	4,585,373	109.1	4,552,179	105.0	4,479,724	107.9
Profit or (Loss) before Income Taxes	(1,253,871)	(6.8)	(112,527)	(4.5)	(215,695)	(6.6)	(382,800)	(9.1)	(216,779)	(5.0)	(326,070)	(7.9)

NOTES:

1. Some magazines, the operating results of which are included in the above statement, record subscription income on a "received" basis rather than an "earned" basis. The amount involved would, however, make little difference to the above results.
2. The above statement does not include all Canadian consumer magazines, with the above-mentioned exclusions, since some magazines are no longer published and the required information could not be obtained. The statement includes a representative group of six magazines.
3. Canadian Home Journal, included above, discontinued publication with the June issue of 1958.

SCHEDULE NO. 4
CANADIAN CONSUMER MAGAZINES—"CANADIAN EDITIONS" ONLY
(representing the combined operations of Reader's Digest, Sélection du Reader's Digest and Time—"Canadian Editions")

Condensed Comparative Statements of Operations for the Five Year Period 1955 to 1959 inclusive

	1959		1958		1957		1956		1955	
	\$	%	\$	%	\$	%	\$	%	\$	%
Revenue										
Net Advertising	31,187,003	68.3	6,945,902	67.2	6,618,851	68.4	6,442,903	69.0	6,044,473	69.1
Circulation —										
Subscription	11,622,204	25.4	2,756,844	26.7	2,444,780	25.3	2,309,244	24.7	2,156,031	24.7
Single Copy	2,886,482	6.3	634,167	6.1	606,503	6.3	586,095	6.3	541,784	6.2
Total Circulation	14,508,686	31.7	3,391,011	32.8	3,051,283	31.6	2,895,339	31.0	2,697,815	30.9
TOTAL REVENUE	45,695,689	100.0	10,336,913	100.0	9,670,134	100.0	9,338,242	100.0	8,742,288	100.0
Expenses										
Production and Distribution	17,049,756	37.3	3,647,586	35.3	3,493,705	36.1	3,471,853	37.2	3,383,497	38.7
Advertising Sales and Promotion	6,402,292	14.0	1,375,415	13.3	1,340,250	13.9	1,397,281	15.0	1,234,794	14.1
Circulation Promotion	5,895,819	12.9	1,469,496	14.2	1,313,010	13.6	1,211,759	13.0	974,244	11.1
Circulation Fulfillment	2,615,568	5.7	538,218	5.2	575,202	5.9	537,502	5.7	487,029	5.6
Editorial	2,283,202	5.0	513,369	5.0	495,188	5.1	492,569	5.3	408,404	4.7
Administrative and Sundry	3,310,749	7.3	697,614	6.7	763,768	7.9	617,443	6.6	725,486	8.3
TOTAL EXPENSES	37,557,386	82.2	8,241,698	79.7	7,981,123	82.5	7,728,407	82.8	7,213,454	82.5
Profit before Excise Tax on Advertising	8,138,303	17.8	2,095,215	20.3	1,689,011	17.5	1,609,835	17.2	1,528,834	17.5
EXCISE TAX ON ADVERTISING	1,570,602	3.4	—	—	519,142	5.4	1,051,460	11.2	—	—
Profit before Income Taxes	6,567,701	14.4	2,095,215	20.3	1,169,869	12.1	558,375	6.0	1,528,834	17.5

NOTES:

1. The above Statements have been prepared from audited financial statements supplemented by additional information provided by the publishers. Time contends that it has been under-charged for editorial material provided by its parent company. Any increase in this charge would, of course, correspondingly reduce profits.
2. Miscellaneous revenue and foreign exchange adjustments have been included above as set out in the notes to Schedules No. 5 and No. 6.

SCHEDULE NO. 5
CONSUMER MAGAZINE DIVISION
OF READER'S DIGEST ASSOCIATION (CANADA) LTD.
(representing Reader's Digest and Sélection du Reader's Digest—"Canadian Editions")
Condensed Comparative Statements of Operations for the Five Year Period 1955 to 1959 inclusive

	Total 5 Years		1959		1958		1957		1956		1955	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Revenue												
Net Advertising	16,509,929	63.3	3,828,415	62.6	3,767,137	65.2	3,359,247	63.6	3,013,734	63.2	2,541,396	61.4
Circulation —												
Subscription	7,857,853	30.1	1,891,328	30.9	1,623,261	28.1	1,576,464	29.8	1,448,680	30.4	1,318,120	31.9
Single Copy	1,719,494	6.6	398,185	6.5	385,073	6.7	350,387	6.6	307,816	6.4	278,033	6.7
Total Circulation	9,577,347	36.7	2,289,513	37.4	2,008,334	34.8	1,926,851	36.4	1,756,496	36.8	1,596,153	38.6
TOTAL REVENUE	26,087,276	100.0	6,117,928	100.0	5,775,471	100.0	5,286,098	100.0	4,770,230	100.0	4,137,549	100.0
Expenses												
Production and Distribution	8,771,562	33.6	1,943,332	31.8	1,849,813	32.0	1,784,776	33.8	1,668,073	35.0	1,525,568	36.9
Advertising Sales and Promotion	3,054,331	11.7	733,400	12.0	664,867	11.5	616,653	11.7	569,477	11.9	469,934	11.3
Circulation Promotion	4,547,016	17.4	1,185,447	19.4	999,679	17.3	940,789	17.8	742,943	15.6	678,158	16.4
Circulation Fulfillment	1,912,829	7.3	384,800	6.3	418,068	7.2	387,236	7.3	361,616	7.6	361,109	8.7
Editorial	1,846,349	7.1	416,023	6.8	404,082	7.0	408,031	7.7	325,173	6.8	293,040	7.1
Administrative and Sundry	1,449,082	5.6	296,830	4.8	315,534	5.5	275,870	5.2	296,538	6.2	264,310	6.4
TOTAL EXPENSES	21,581,169	82.7	4,959,832	81.1	4,652,043	80.5	4,413,355	83.5	3,963,820	83.1	3,592,119	86.8
Profit before Excise Tax on Advertising	4,506,107	17.3	1,158,096	18.9	1,123,428	19.5	872,743	16.5	806,410	16.9	545,430	13.2
EXCISE TAX ON ADVERTISING	835,266	3.2	—	—	298,377	5.2	536,889	10.2	—	—	—	—
Profit before Income Taxes	3,670,841	14.1	1,158,096	18.9	825,051	14.3	335,854	6.3	806,410	16.9	545,430	13.2

NOTE:
Miscellaneous revenue, totalling \$16,343. for the period, has been deducted from Production and Distribution expense.

SCHEDULE NO. 6
TIME INTERNATIONAL OF CANADA LTD.

(representing Time -- "Canadian Edition")
Condensed Comparative Statements of Operations for the Five Year Period 1955 to 1959 inclusive

	Total 5 Years		1959		1958		1957		1956		1955	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Revenue												
Net Advertising	14,677,074	74.9	3,117,487	73.9	2,851,714	73.2	3,083,656	76.1	3,030,739	76.3	2,593,478	74.7
Circulation—												
Subscription	3,764,351	19.2	865,516	20.5	821,519	21.1	732,780	18.1	707,351	17.8	637,185	18.4
Single Copy	1,166,988	5.9	235,982	5.6	221,430	5.7	235,708	5.8	233,968	5.9	239,900	6.9
Total Circulation	4,931,339	25.1	1,101,498	26.1	1,042,949	26.8	968,488	23.9	941,319	23.7	877,085	25.3
TOTAL REVENUE	19,608,413	100.0	4,218,985	100.0	3,894,663	100.0	4,052,144	100.0	3,972,058	100.0	3,470,563	100.0
Expenses												
Production and Distribution	8,278,194	42.2	1,704,254	40.4	1,643,892	42.2	1,687,077	41.6	1,715,424	43.2	1,527,547	44.0
Advertising Sales and Promotion	3,347,961	17.1	642,015	15.2	675,383	17.4	780,628	19.3	665,317	16.7	584,618	16.8
Circulation Promotion	1,348,803	6.9	284,049	6.7	313,331	8.1	270,970	6.7	231,301	5.8	249,152	7.2
Circulation Fulfillment	702,739	3.6	153,418	3.7	157,134	4.0	150,266	3.7	125,413	3.2	116,508	3.4
Editorial	436,853	2.2	97,346	2.3	91,106	2.3	84,538	2.1	83,231	2.1	80,632	2.3
Administrative and Sundry	1,861,667	9.5	400,784	9.5	448,234	11.5	341,573	8.4	428,948	10.8	242,128	7.0
TOTAL EXPENSES	15,976,217	81.5	3,281,866	77.8	3,329,080	85.5	3,315,052	81.8	3,249,634	81.8	2,800,585	80.7
Profit before Excise Tax on Advertising	3,632,196	18.5	937,119	22.2	565,583	14.5	737,092	18.2	722,424	18.2	669,978	19.3
EXCISE TAX ON ADVERTISING	735,336	3.7	—	—	220,765	5.6	514,571	12.7	—	—	—	—
Profit before Income Taxes	2,896,860	14.8	937,119	22.2	344,818	8.9	222,521	5.5	722,424	18.2	669,978	19.3

NOTES:
1. The above Statements have been prepared from audited financial statements supplemented by additional information provided by the company. The company contends that it has been under-charged for editorial material provided by its parent company. Any increase in this charge would, of course, correspondingly reduce profits.
2. Foreign exchange adjustments, shown by the company as Miscellaneous revenue or expense, have been deducted from or added to Administrative and Sundry expense in arriving at the above figures as follows:

Revenue	Expense
1957	1959
1955	1958
	1956
—	\$ 34,121
—	40,746
—	62,503
\$81,124	\$137,370

ECONOMIC IMPLICATIONS OF OVERFLOW PERIODICAL ADVERTISING

1. THE PROBLEM AND ITS SETTING

The many American periodicals entering Canada carry advertising that is prepared primarily for an audience in the United States. Taken by itself, access to these inexpensive periodicals which are subsidized by the advertising expenditures of United States firms is an economic benefit for Canadians. Overflow advertising has much wider economic implications in Canada, however, which should be examined on their own merits. They extend not only into the publishing business but into many other industries, particularly those in the area of secondary manufacturing.

2. SOURCES AND METHODS

Some of the economic implications of overflow advertising were suggested in the briefs and hearings of the Commission. Further material was obtained by questionnaires, interviews and analysis of advertising statistics.

Questionnaires covering overflow advertising were sent to media directors of advertising agencies and to independent Canadian firms. Mr. F. Rose of Russell T. Kelley Limited had sent questionnaires on overflow to business paper space salesmen in early 1960. These were made available to the Commission. Statistical questionnaires were sent to several hundred major advertisers to obtain media breakdowns of their expenditures and ratios of advertising to sales. Some of the results are presented in the statistical supplement to this study. Firms with American parents were requested to provide if possible the corresponding figures for their operations in the United States. The various types of questionnaires were supplemented by interviews with publishers, advertising and marketing men, retailers and a cross section of manufacturers.

Much of the statistical analysis had to be based on print media expenditures alone. Satisfactory figures for advertising expenditures in other media are not available on a company basis for either Canada or the United States. The statistical questionnaires were, however, a useful supplement and the information contained in them did not appear to contradict any of the general conclusions.

The major statistical sources used were as follows:

- (1) Canada
Elliott-Haynes Limited, *Canadian Advertising Expenditures in Publications Media*. Published annually.
- (2) United States
 - (a) Magazines and weekend supplements: Leading National Advertisers Inc., *National Advertising Investments*. Published annually.
 - (b) Daily newspapers: Bureau of Advertising, American Newspaper Publishers Association, *Expenditures of National Advertisers in Newspapers*. Published annually. A summary of these figures is reprinted annually in *Advertising Age*. See, for example, the issue of May 2, 1960.

The print media expenditures of 324 companies advertising in both Canada and the United States in 1959 were tabulated from these sources. Further data were prepared for some 243 of these same companies who were advertising in both countries in 1956. Canadian print media figures for individual companies do not distinguish expenditures in Canadian editions of United States magazines from those in Canadian-owned periodicals. Unless explicit reference to the contrary is made, therefore, the term "Canadian magazine" as used in this study includes both groups.

3. GENERAL CONDITIONS AFFECTING THE IMPACT OF OVERFLOW ADVERTISING

At present there are at least 500, and perhaps closer to 600, United States consumer magazines coming into Canada and some 1400 business papers. In 1959 Canadians read almost three American overflow consumer periodicals for each Canadian-owned magazine (Table 1). The volume of overflow in the business area is much smaller by comparison with total circulation of Canadian papers (Table 2) although in some fields like beauty publications it is very large.

TABLE 1 *
Per Annum Circulation in Canada of Canadian Audit Bureau of Circulations
Magazines and United States Audit Bureau of Circulations Magazines,
Selected Years, 1950-1959

	Canadian A.B.C. ¹ Magazines	U.S. A.B.C. Magazines
	(thousands of copies)	
1950	38,133	80,382
1953	39,964	102,532
1956	46,998	117,906
1959	44,911	124,997

* Canada, *Report of the Royal Commission on Publications, 1961*, Appendix K, Table 4.

¹Excludes *Time* and *Readers Digest*.

TABLE 2 *
Per Annum Total Circulation of Canadian Business Papers and Per Annum
Canadian Circulation of U.S. Business Papers, 1950, 1955 and 1959

	Canadian ¹ Papers	U.S. ² Papers
	(thousands of copies)	
1950	23,040	1,322
1955	33,195	3,456
1959	43,235	5,459

* Canada, *Report of the Royal Commission on Publications, 1961*, Appendix K, Table 13.

¹Includes small sales outside Canada.

²Includes all U.S. Audit Bureau of Circulations business papers and Verified Audit Circulation business papers with total per issue circulation of 20,000 or over, and all U.S. Business Publishers Association publications.

After allowance for duplication of readers, the Canadian circulation of a single or even several American magazines is not as broad as that reached by major Canadian periodicals. Nevertheless, when the general nature of the magazine medium is borne in mind it is not difficult to see why the great volume of overflow might still have widespread effects. By and large, magazine advertising is used in a

strategic rather than a tactical role. Particularly in the consumer area it is directed to a long-term build-up of brand image, quality and prestige, to create a reservoir of goodwill. But this reservoir can be tapped only by the use of other media, mainly newspapers, radio and television, which carry the “hard-sell” or action advertising message. Only in a few cases such as the book and record clubs is the direct action message a dominant feature of magazine advertising.

Apart from the language difference in French-speaking areas there is little to prevent a particular unit of magazine advertising from affecting a Canadian audience. The result would be different if brand names in Canada and the United States were not the same but this is now exceptional. Brand recognition remains despite differences in Canadian and American prices or any question about the availability in Canada of the goods advertised in overflow magazines. Many advertisers in American magazines meet these problems by referring to the Canadian price and the Canadian distributor. The upsurge in Canadian imports from the United States in recent years has, of course, increased the availability of American products.

Since magazine advertising will rarely stand on its own as a marketing weapon, the effects of overflow advertising usually must be judged in the light of the part it plays in a larger programme involving several media. Although brand recognition will continue to be a factor, the contribution of overflow to such a programme in Canada will be reduced if the American programme is timed differently. However, it is difficult to believe that the advertising manager in a Canadian subsidiary will not try to take advantage of a United States magazine campaign if it is at all possible.

4. CONSUMER MAGAZINES

In Canada, magazine advertising expenditures per capita are only 34 percent of the United States per capita figure. Total Canadian advertising expenditures per capita are 68 percent of the corresponding United States figure. The advertising programmes of companies that operate in both countries reflect this preference for the use of the magazine medium in the United States.

TABLE 3
Total Consumer Print Media and General Magazine Advertising
Expenditures of Companies¹ Advertising in Both the
United States and Canada, 1956 and 1959

	1956		1959	
	Canada	U.S.	Canada	U.S.
	(millions of dollars)			
Total print media expenditures	38.7	636.7	43.3	764.1
General magazine expenditures	7.4	284.2	9.3	357.9
Magazines as per cent ² of total print	19.2	44.6	21.5	46.8

¹ 1956—243 companies; 1959—324 companies.
² Percentages based on unrounded expenditure figures.

However, detailed analysis of these programmes suggests two significant features. First, the situation remained remarkably stable between 1956 and 1959 (Table 3). Although the number of international advertisers that could be identified increased sharply over this period, the relative preference for magazines in the United States was almost the same in the two years. Second, overflow advertising

is only one of the factors affecting media selection. There are many examples of its use in the Canadian advertising programmes of American branch plants or subsidiaries but other factors, particularly the size of the advertising budget and the differences between Canadian and American media, appear to be of great importance in the allocation of advertising expenditures.

Canadian trade papers directed to dealers often contain advertisements drawing attention to the overflow advertising promoting a particular consumer item. Advertisements of this nature have appeared in many fields including household furnishings, hardware, cosmetics, clothing, shelter goods and jewellery. An American watch manufacturer, for example, recently ran an advertisement in a Canadian business paper which pointed out that his pre-Christmas advertising would appear in *Life*, *Look*, *Rod and Gun*, *Argosy*, *Field and Stream*, *Good Housekeeping*, *Ladies' Home Journal*, *McCall's*, *Parents' Magazine*, *Sports Afield* and *Time* as well as on a television spectacular. The manufacturer suggested in his advertisement that "With This Lineup Everyone Sees. . .".

This type of tie-in with overflow advertising is extended a stage further with the use of point-of-sale material¹ which sets out to convince the consumer that "As advertised in" is almost a seal of approval. Examples of this approach are found in fields such as processed foods, clothing and many others. At present such material refers largely to American magazines. This may be explained partly by the fact that some American periodicals have long offered these dealer-help materials free or at cost. Canadian periodicals have only recently moved into this area of promotion.

Possibly one of the most effective uses of overflow advertising at the retail level is now widespread in Canadian supermarkets. The American "grocery" magazines *Family Circle* and *Woman's Day* are distributed on a franchise basis through 18 chains and some 500 independent supermarkets. This type of distribution gives the advertiser using both magazines a wide coverage of the consumer market; the degree of circulation duplication is very low. Very little Canadian advertising is carried in the two magazines. Several retailers² were, however, quoted as saying that their sales were increased through the use of these periodicals in conjunction with in-store displays and promotions.

In the few cases where overflow advertising is of the direct action type the results are even more clear. For example, book or record clubs frequently insert coupons or reply cards with Canadian addresses along with advertising overflowing into Canada. Evidence collected by the Commission shows that the returns from these coupons are greatly increased where split-runs are used but the response to straight overflow coverage is still substantial.

The charges by parent companies for advertisements with coupons and reply cards differ among organizations. One company charges its Canadian organization a pro-rata share of the total advertisement cost based on the number of Canadian returns. Another charges only for the reply cards inserted. Some charge nothing.

The other uses of overflow may also encourage some United States companies to charge their affiliates in Canada for the service. As in the case of reply cards, however, the practice of charging varies greatly between individual companies. Some Canadian subsidiaries are assessed a pro-rata share by the parent company

¹ Point-of-sale or dealer-help materials include such things as counter and window displays, signs and folders in retail stores.

² Canada, Royal Commission on Publications, 1961, *Hearings*, Vol. 24, pp. 134-135.

on the basis of the Canadian circulation of the periodicals used. Some pay nothing for overflow. Others pay a lump sum for a variety of services including advertising. Officials of the Association of Canadian Advertisers, which comprises many of the larger accounts, state that charges for overflow are not widespread among their members although they are not unknown. But whatever the practices are in this connection, the evidence available at present does not suggest that overflow is the dominant factor in media selection by American-affiliated companies.

Although the majority of companies advertising in both countries show a greater preference for magazines in the United States than in Canada, the extent of the preference is more pronounced for smaller advertisers. The 324 companies advertising in both Canada and the United States in 1959 were grouped according to the dollar value of their magazine advertising expenditures in the United States. Almost all of the larger advertisers (\$2 million or over in United States magazines) showed some bias¹ in favour of the magazine medium in the United States, but a high degree of bias was more common in the smaller accounts (Table 4). For example, some 22 percent of the companies with expenditures in American magazines between \$0.5 million and \$0.99 million showed a bias of more than +60. Only 11 percent of the large advertisers showed such a pronounced preference.

TABLE 4

Cumulative Percentage Distribution of 324 Companies Advertising in Both the United States and Canada by Size of U.S. Consumer Magazine Expenditures and Bias¹ in the Use of Canadian and U.S. Consumer Magazines, 1959

Bias ¹ in the Use of Canadian and U.S. Magazines	Consumer Magazine Expenditures in the United States			
	\$2.0 million or over	\$1.0-1.99 million	\$0.5-.99 million	\$0.0-.49 million
	(percent of companies)			
More than +60	11	16	22	19
” +40	33	28	40	32
” +20	74	58	60	47
” 0	98	88	92	81
Number of companies	42	50	66	166

¹ Bias is defined as the difference in the percentage of total print media expenditures (space costs only) devoted to magazines in the United States and in Canada. For example, if 75 per cent of an international advertiser's print media expenditures in the United States were devoted to magazines and 25 per cent of his print media expenditures in Canada went to this medium, he would be shown as having a bias of +50.

The reason for this becomes clearer when the same firms are grouped according to the size of their total print media expenditures in Canada. (Table 5). The smaller advertisers in United States media are also small accounts in Canada. The print media expenditures of small advertisers are frequently diverted almost entirely into magazines in Canada or entirely out of them and the latter behaviour predominates.

¹ See definition in Table 4.

TABLE 5

Distribution of 324 Companies Advertising in Both the United States and Canada by Total Canadian Consumer Print Media Advertising Expenditures and Percent of the Total in Consumer Magazines in Canada, 1959

Canadian Consumer Print Media Budget \$ Thousands	Percent of Total Canadian Print Expenditures in Consumer Magazines					
	No Canadian Magazine Advertising	0.1 to 19.9	20.0 to 39.9	40.0 to 59.9	60.0 to 79.9	80.0 to 100.0
	(number of companies)					
0—49,999 (159 companies)	67	21	11	10	8	42
50,000—99,999 (72 companies)	17	7	17	9	12	10
100,000—149,999 (30 companies)	7	9	7	2	4	1
150,000—199,999 (12 companies)	2	6	2	1	1	0
200,000—249,999 (12 companies)	2	5	4	1	0	0
250,000—299,999 (9 companies)	1	4	3	0	1	0
300,000 and over (30 companies)	1	20	8	1	0	0
Total 324 Companies	97	72	52	24	26	53

As far as Canadian-owned magazines are concerned this tendency is in fact far greater than Table 5 indicates. In the lower budget ranges, American railway, airline and consumer goods advertising goes largely to media other than magazines, particularly to newspapers. The companies with substantial proportions of their budgets in magazines in Canada comprise many industrial, institutional and overseas travel accounts. A large part of the industrial and travel advertising is, however, in *Time's* Canadian edition.

Many of these smaller advertisers are in the early stages of developing a market in Canada. Frequently their Canadian sales may be only a very small part of their total operations. They may not be able to afford the greater coverage provided by Canadian magazines. The result is that they use what brand recognition and prestige the overflow advertising of their parent companies can provide but they rely on the "hard-sell" media, mainly newspapers, radio or television, for their basic coverage in this country.

Although international advertisers with small print budgets in the United States are also likely to have small print budgets in Canada, the data show that larger American print budgets are not necessarily associated with larger Canadian print budgets. But the available figures do not show that variation in the size of Canadian print budgets is related to the amount of overflow available.

Within the various Canadian print budget groups, the attempt was made to correlate the amount of overflow available and the use of Canadian magazines. There is no apparent connection between the percentage of total Canadian print media expenditures companies allocated to magazines and either their dollar expenditures in the United States on magazines or the percentage of total American print expenditures devoted to magazines. Individual companies may act differently through time but across the broad range those with greater dollar expenditures in United States magazines, or those whose magazine allocation makes up a high proportion of their total print advertising expenditures in

that country, are not necessarily associated with low preference for magazines in Canada.

As they move up the budget scale, companies tend to broaden their media coverage. More begin to use magazines in some degree. In order to use this relatively expensive medium they frequently concentrate at first in magazines and one other print medium, particularly newspapers. As budgets increase further they move into other media such as weekends and the relative importance of magazines declines again. Very few of the large advertisers, for example, allocate more than 40 percent of their print budgets to magazines although almost all use them to some extent (Table 5).

Even where budgets appear large by Canadian standards another factor may in some cases bring a heavy concentration of expenditures in other media and heighten the tendency to move out of Canadian magazines. Some companies attempt to dominate the advertising in their field in a particular medium rather than compete across the board. In petroleum products, for example, one company now dominates in television and another in newspapers. Something similar is found in automobile tire advertising in Canada.

In the majority of cases, however, once budgets are high enough for some magazine coverage another factor is probably more important in explaining the lower preference for magazines in Canada. There are considerable differences between the various media in Canada and the United States. Canadian adults read only about two-thirds as many magazines as Americans and for this reason alone advertisers might be expected to depend less on this medium in Canada. Then too, United States advertisers have to depend more on magazines to get national coverage in print media than do Canadians. In the United States, weekend supplements are regional; Canadian weekends have national coverage. Moreover, the Canadian advertiser can obtain national coverage with 100 newspapers. Similar coverage in the United States might require some 1750 newspapers.

These features are reflected in the Canadian media patterns of large advertisers. The large automobile companies favour newspapers over magazines in the United States. This preference is much more pronounced in Canada. Electrical appliance manufacturers allocate a larger proportion of their print expenditures to magazines in both countries than do the automobile companies, but they use both daily newspapers and weekends more in Canada than in the United States. In these two fields, the newspaper advertising provides both national coverage and assistance to local dealers.

TABLE 6
Percentage Distribution of Advertising Expenditures of Selected Major Advertisers in Consumer Print Media in Canada and the United States, 1959

		Daily Newspapers	General Magazines	Weekends	Farm Magazines
		(percent)			
Automobiles: (3 companies)	Canada	81.2	12.6	2.5	3.7
	U.S.	55.8	38.7	3.5	2.0
Electrical Appliances: (5 companies)	Canada	49.0	20.0	25.6	5.3
	U.S.	36.4	59.1	2.7	1.7
Soaps: (3 companies)	Canada	28.7	9.7	57.0	4.5
	U.S.	51.2	29.8	18.5	0.5
Processed Foods: (15 companies)	Canada	32.4	16.4	47.3	3.9
	U.S.	44.3	36.9	17.8	1.0

Food processors and soap manufacturers want colour and low-cost mass coverage to support high-frequency sales of many small units. Both use newspapers and magazines less in their Canadian advertising and concentrate much more on weekends than they do in the United States.

One example which further points to the importance of factors other than overflow in media selection is provided by Coca-Cola. The brand image is so important in this company's advertising that overflow might be expected to have its maximum impact. Nevertheless, the company uses magazines to almost exactly the same extent relative to total print expenditures in Canada as in the United States.

The Periodical Press Association measures the value of overflow advertising by applying the Canadian proportion of the total circulation of major United States overflow magazines to the gross advertising revenues of these magazines. The calculations on this basis provided a value of \$25 million for 1959. A check of October 1960 copies of the leading overflow magazines suggested that on average about 70 percent of their advertising lineage was immediately applicable to Canada in the sense that the brand names were known and similar products were available in this country. If this percentage can be taken as typical the theoretical value of overflow advertising in 1959 would be reduced to \$18 million. Even the latter figure gives a much exaggerated view of the benefits Canadian periodical publishers would receive from action directly affecting the general run of overflow advertising.

There is no doubt that the publishers would be better off in the absence of this advertising. There are instances of companies letting overflow do a job that could be undertaken by Canadian magazines. On the other hand, if overflow were not present it is highly unlikely that the advertisers would be in a position to find sufficient funds to fully replace this type of coverage. Nor is there any certainty that they would turn in any marked degree to Canadian magazines in preference to other media. The importance of other factors for media selection suggests that only an extensive reduction in overflow advertising would result in substantial increases in revenue for Canadian magazines.

5. BUSINESS PAPERS

The Business Newspapers' Association has suggested that reliance on overflow was, in their field as in the consumer area, causing increased diversion of advertising revenue. Present statistical information¹ covers so short a period that no trend can be established. The advertising revenues of business papers have, however, increased substantially in recent years. Moreover, the available information does not point to the presence in this area of anything like the general bias that exists in the use of Canadian and United States consumer magazines.

These features suggest that the competitive position of most Canadian business papers has so far been little affected by foreign competition. However, the frequent examples of overflow business advertising and the pronounced importance of this advertising in a few areas direct attention to some of the weaknesses and potential threats in this branch of the publishing industry.

Heavy or complete dependence on overflow business advertising by individual companies has been reported in many fields.² One problem here is that advertising budgets for business paper coverage are generally smaller than

¹ Sources for business paper advertising expenditures were as follows: Canada—Elliott-Haynes Limited, *Business Paper Audit 1960*; United States—The Associated Business Publications, *Leading Advertisers in Business Publications*. Published annually. Business paper advertising expenditures have been audited on a company basis in Canada only since the second half of 1959.

² Including plastics and chemicals, machinery and machine tools, photographic equipment, fabricated metals, petroleum, aircraft, fire fighting equipment, marine equipment, shelter materials, writing and dictating equipment, engineering and the beauty industry.

those in the consumer area. This feature was reflected in examples provided by the publishers; many of the companies concerned had relatively small advertising budgets or only a small proportion of their total sales in Canada. Here, as in the consumer magazines, these advertisers tend to rely more heavily on the use of overflow.

This tendency may be aggravated in some fields by the greater sensitivity of industrial products to business conditions. Examples of machinery firms falling back on the use of overflow are particularly frequent. The machinery and equipment sector has been one of the weaker areas of the economy for several years.

Canadian business papers serving fields where technological advances are of prime importance suffer a handicap in relation to their United States counterparts. The major part of applied research carried out in North America takes place in the United States. American business papers are thus generally able to be first with the news of such developments.

There are some fields where Canadian business papers may lack some of the built-in advantages of reporting the business scene to Canadians as it applies to Canada. The petroleum and beauty magazines are examples. Much of the petroleum industry was established by Americans who look naturally to their own publications. In the beauty trade, circulation of American magazines in Canada is much higher relative to the circulation of the main Canadian paper than is true in most business fields. *The American Hairdresser's* circulation in Canada in 1959 was 54 percent of the figure for *The Canadian Hairdresser*. Many advertisements in both the *American Hairdresser* and *Modern Beauty Shop*, the other major United States publication in this field, list Canadian distributors. Conditions in the Canadian and American beauty trades are much the same and the primary suppliers in this country are largely American-controlled firms.

A serious threat from overflow advertising may arise even in cases where the actual volume of overflow circulation is small. Frequently, a relatively few men control a large proportion of the purchasing in a particular industry. Some advertisers, particularly those interested in industrial magazines, tend to pick a "key-book" which is read by such men and then supplement its limited but important coverage by direct mail. Foreign publishers like their Canadian counterparts may reach these key readers through the use of controlled circulation. That is, the magazines are sent to selected people regardless of whether they have asked for copies or are willing to pay for them. Some American business publications such as *Machine Design* are already entering Canada on this basis.

Controlled circulation may be reinforced by the use of the franchise system. The American publisher may enfranchise a dealer who handles the type of product or service concerned to act as his Canadian distributor. The dealer, who usually purchases a number of subscriptions, will either distribute them directly or supply the publisher with a mailing list. Such a list can be kept up to date by the dealer's salesmen so that the publisher avoids one of the more difficult problems of controlled circulation. In return for handling the publication, the dealer gets free advertising in it, usually cover space. Moreover, it is advantageous for the dealer to encourage his suppliers to advertise in the franchised publication. United States periodicals entering Canada in this way now include the following:

Materials Handling Engineering
Refrigeration and Air Conditioning
Occupational Hazards
Precision Metal Molding

Welding, Design and Fabrication
Construction Equipment
Industrial Photography
Cleaning Laundry World

The combination of the franchise system or any form of controlled circulation with direct mail could result in substantial diversion of revenues from some Canadian business papers. With the advertising agencies taking a greater interest in direct mail the threat from this source may be intensified.

6. THE IMPACT OF OVERFLOW ADVERTISING ON OTHER CANADIAN INDUSTRIES

No matter how overflow advertising affects media selection and the revenues of Canadian publishers it does have an impact in the Canadian market. It provides American firms or their affiliates in Canada with substantially lower cost advertising access to this market than their independent Canadian competitors. In a few cases, some additional advantage may be derived from less restrictive advertising regulations in the United States that permit claims which cannot be made in Canadian media. One point should be made clear. A Canadian-owned firm operating on a large scale in both Canada and the United States may also derive benefits from overflow coverage in American magazines; the problem is in the first instance one of size of competing companies rather than nationality. However, as a practical matter most big advertisers in the Canadian market are American branches or subsidiaries.

Lower cost print media advertising access to the Canadian market through overflow magazines arises from two sources: lower cost per thousand circulation and use of parent companies' plates and art-work. Even where split runs or regional editions are used unit costs will be lower since at least part of the production overhead is spread over the larger American market.

To illustrate, space cost for a full-page four-colour advertisement in *Maclean's* in 1959 was \$9.70 per thousand circulation; a similar page in *Saturday Evening Post* cost \$6.26. However, the art-work to produce the plate ran from \$2,000 to \$3,000. This added \$4.00 to \$6.00 more per thousand circulation to the Canadian cost and only 30 cents to 50 cents more to the cost for the American publication. The cost per thousand circulation for the advertiser using only the Canadian publication to reach the domestic market was more than twice as great. The value of overflow advertising as calculated by the Periodical Press Association method may exaggerate the revenues diverted from Canadian publishers. Because it does not allow for either production costs or the higher cost of coverage in Canadian magazines it may at the same time underestimate the magnitude of the problem faced by other Canadian industries.

The impact of overflow advertising appears to be much greater in Ontario and Western Canada, particularly the former, than in Quebec and the Atlantic Provinces. For example, one Canadian firm associated itself with a United States sportswear manufacturer having substantial overflow. The company found that the American brand name was well known in Ontario and the West but had little significance elsewhere. This area incidence undoubtedly reflects the high volume of overflow circulation in Ontario and to a lesser extent the West. Where magazine advertising is reinforced by overflow television the effect will, of course, be greater still.

The lesser impact of overflow in Quebec is not surprising and the independent Canadian firms interviewed generally pointed to that market as an example of equitable advertising competition. Even in Quebec, however, it may have some

influence. In the drug field the language barrier is a very small factor. Many of the physicians and others making the decisions on purchases of ethical drugs and proprietary medicines are bilingual.

In the Atlantic Provinces, magazine consumption is less than in other English-speaking regions. Some manufacturers stated also that they found this area much more price-conscious. Moreover, independent retailers account for a larger proportion of sales in these provinces and national advertising assumes greater importance in the more impersonal chain stores than in the independent stores.

The effects of overflow advertising also vary greatly between product fields. In some cases neither overflow nor any other advertising medium has great significance. Where products are highly standardized or where the consumer is influenced more by his judgment on inspection of the item, brand-image creation is more difficult and advertising may not be the major method of sales promotion. This is true, for example, in resource-based industries. Even in some consumer industries such as sugar refining and the manufacture of carpets or greeting cards, advertising has not been used heavily although in the latter case particularly the situation may be changing.

Where an industry depends largely on franchised retail outlets, local advertising may be used more than national coverage and the impact of overflow is reduced. Shoe manufacturing provides an example.

The effects of overflow advertising appear to be much more pronounced in such industries as electrical appliances, cosmetics and toilet preparations, soaps and washing compounds, soft drinks, processed foods, home furnishings, pharmaceuticals and some branches of clothing and household textile manufacturing. Furniture manufacturers also claim that it is affecting their field. Most of these are the areas of relatively high advertising expense.¹ Moreover, some of the firms in these industries use advertising much more heavily (Table 7) than the averages provided for earlier years by the Dominion Bureau of Statistics might suggest.

Many products originating in the United States establish a "beach-head" in the Canadian market through overflow advertising. It is not unusual to find a considerable demand in Canada for products advertised in overflow publications even before they are distributed here. Soaps provide an example.² The same advertising will assist in gaining initial distribution in chain stores. Some soft drinks appear to have entered the Canadian market recently through overflow coverage. Brand-name acceptance through overflow advertising of new facial tissues, sportswear, processed foods and beauty products has been substantial.

Once a "beach-head" has been established the vast majority of companies concerned undertake substantial advertising in Canadian media, though not necessarily magazines, in order to promote expansion. As noted earlier such campaigns are frequently tied in with overflow. In the few cases in recent years where overflow was used alone or as the major part of a Canadian marketing programme the results were disappointing to the advertiser. Some soap products and a well-known milk powder provide examples.

¹ Dominion Bureau of Statistics, *Advertising Expenditures in Canada, 1954*. Reference Paper No. 67. Table 8, p. 13.

² See the reference to Dove Soap in *Marketing*, September 26, 1960, p. 1.

TABLE 7
Distribution of Companies Replying to the Commission Questionnaire on Advertising Expenditures
by the Ratio of Total Advertising Expenditures to Sales, Selected Industry Groups, 1959

Industry Group	Total Advertising Expenditures as a Percentage of Sales										Total Companies Replying
	0.0 to 4.9	5.0 to 9.9	10.0 to 14.9	15.0 to 19.9	20.0 to 24.9	25.0 to 29.9	30.0 to 34.9	35.0 to 39.9	40.0 to 44.9	Over 45.0	
	(number of companies)										
Automotive and automotive supplies	8	—	—	—	—	—	—	—	—	—	8
Building materials and allied equipment	6	—	—	—	—	—	—	—	—	—	6
Clothing and footwear	11	2	2	—	—	—	—	—	—	—	15
Drugs, cosmetics and toilet goods	4	5	4	4	1	2	2	1	1	—	24
Food, food products, dairy products	16	5	6	2	1	—	—	—	—	—	30
Soaps, waxes, household supplies	1	1	4	2	1	1	—	—	—	—	10
Office machines, equipment and supplies	7	1	2	—	—	—	—	—	—	—	10
Paints, chemicals	8	1	—	—	—	—	—	—	—	—	9
Petroleum products	11	1	—	—	—	—	—	—	—	—	12
Electrical equipment and household appliances (incl. radios, T.V., stoves, refrigerators, vacuum cleaners, washing machines)	13	4	—	—	—	—	—	—	—	—	17
Total Companies	85	20	18	8	3	3	2	1	1	—	141

A case which appears to demonstrate how overflow fits into a marketing programme is provided by an American company producing Italian-style food products. At the time this line was introduced into Canada in the mid-1950's the company operated through brokerage and their advertising in this country was confined largely to overflow publications. In 1956 they had no Canadian print media advertising recorded. The following year, they undertook a substantial print media programme in this country. Over two-thirds of this was in daily newspapers, one quarter in weekends and the remainder in general magazines. By 1958 their Canadian print expenditures, which were then almost entirely in weekends, appear to have exceeded the value of the overflow benefits accruing to them, at least so far as space costs were concerned. This company's strong advertising in both overflow periodicals and Canadian media was reinforced by aggressive selling efforts. By 1960 they appear to have had a substantial share of the Canadian market and a subsidiary was established. Their overflow advertising must continue to be of assistance. However, it probably had its greatest impact in the early stages of market development.

Since the larger internationally-operating companies can support advertising campaigns in several Canadian media, overflow advertising is an additional factor which aggravates a situation that would exist to some extent in any event. In the fields where advertising expenses are high, this additional coverage with its message of brand image and quality may be of considerable competitive value. When calculated by the Periodical Press Association method, the value of overflow advertising accruing to large American-affiliated companies frequently exceeds the total print media advertising expenditures of their independent Canadian competitors.

The reactions of independent Canadian companies to overflow advertising are for the most part bound up with their reactions to the total advertising programmes of the international companies. But these reactions are more pronounced in the areas where overflow advertising is heavy.

Several firms interviewed felt that the ratio of advertising expenditures to sales was rising¹ in fields like processed foods where overflow is important. They suggested that the increasing advertising competition between large firms in the United States was being transmitted to this country through overflow coverage. Some independent firms felt obliged to increase their own expenditures to stay in the running. On the whole, however, overflow does not seem to force increased resort to Canadian magazines by the independent companies though it may lead to larger expenditures in other media.

Some of the larger independents in fields such as electrical appliances or meat packing appear to use Canadian consumer magazines more than their international competitors although their coverage varies through time. One electrical appliance manufacturer advertised fairly heavily in Canadian periodicals in the mid-1950's to compete with the brand recognition gained by his American-affiliated competitors through overflow. Lately the company has switched to more coverage in the "hard-sell" media.

The larger independent manufacturers of processed foods and milling products, like their internationally-operating competitors, use weekends more than general magazines. Smaller domestic companies in most fields frequently follow the same media patterns as the American-affiliated concerns and they have very limited magazine coverage.

¹ See also Canada, *The Report of the Royal Commission on Price Spreads of Food Products*, Vol. II, 1959, p. 133; Vol. III, 1960, Table 5, p. 148.

Price competition does not appear to be used generally to offset the heavy advertising programmes of the American-affiliated companies. A few independent companies offer premiums or discounts to retailers to meet advertising competition. Examples appear in processed foods and soaps. The independents who compete by actually pricing their lines below those of the American-affiliated companies seem to be the exception. Some manufacturers claim that under our restrictive trade practices legislation pricing is a much less flexible competitive weapon than advertising. The same pricing arrangements must be offered to all customers while an advertising campaign may be directed at a particular market. Moreover, in the heavily advertised fields such as pharmaceuticals there is a fear that lower prices may connote inferior quality.

Certain independent manufacturers of appliances and processed foods have approached the problem by competing on the basis of quality. In these cases some or even most of their lines are priced slightly higher than those of their American-affiliated competitors and their more limited advertising emphasizes higher quality.

Overflow advertising has at times stimulated the development of competing products by domestic companies. Aluminum foil for household use provides one example. Others exist in the processed food area.

The most common feature of the firms in areas where overflow advertising is substantial is the pressure on them to associate with either American interests or large retailers. One appliance manufacturer who contends with overflow on his own lines produces a brand-name line for one of the larger American-affiliated companies and reaps some advertising benefits in this way. An electronics manufacturer takes advantage of the "national and international image" of the United States subsidiaries in the field by designing and supplying them with equipment gauged closely to their Canadian requirements. In the sportswear field, a Canadian manufacturer combined with a large American firm to establish a Canadian subsidiary. Part of the reason was the attraction of the international brand name. Canadian firms producing soft drinks or men's hats have entered into licensing arrangements to manufacture and distribute well-known United States brands. Independent firms produce many other items including cosmetics and processed foods for American subsidiaries.

Outright acquisition of independent Canadian companies by American or international concerns with heavy advertising in both Canada and the United States has been fairly common in recent years. To say that advertising pressure has been the only or even the most important factor in many cases would be an exaggeration. Nevertheless, in most areas of high advertising expense internationally-operating firms appear to hold major portions of the Canadian market. Cases are provided by toilet preparations, soaps and cleaning compounds, fountain pens and pencils, electrical appliances, breakfast foods, and fruit and vegetable canning. In some of these fields, other factors including access to research and design facilities or patents may be of overriding importance. In areas like canning and many processed foods it is difficult to resist the conclusion that the economies of scale in advertising and selling are much greater than those in production. Where this is true, Canadians may get very little economic benefit from the association with United States firms.

Many independent Canadian companies use another method to gain entry or hold a position in fields which might otherwise be closed to them by advertising competition. They supply private brands¹ to retail chains. Examples are found

¹ A "private brand" is one sponsored by a retail organization and sold only through the outlets of that organization.

in appliances, soaps, automotive supplies, soft drinks and processed foods.

This approach is not without advantages for the consumer. It may provide alternative supplies of a product at lower prices. Private brands are frequently sold for less than their nationally-advertised counterparts. They generally incur less advertising expense and they are purchased in quantity from the manufacturer.

On the other hand, the retailers are not so likely to pay for the development of new products as manufacturers. The loss of independence which this type of affiliation may entail could serve to further reduce the research and experimentation needed for a progressive economy.

In a few cases, American-affiliated firms may derive advantages from overflow advertising which are not related to its low cost. Some United States advertising regulations are less restrictive than those in Canada. Claims may be made in American periodicals by United States parent companies which are understandably irritating to the competing company advertising only in Canadian media.

The Radio College of Canada is unable to use testimonials or to suggest potential salaries for its graduates because of Ontario Department of Education regulations. Such things are done frequently by similar organizations in the United States who solicit business in the province through overflow publications.

Possibly the most outstanding example is the overflow advertising supporting vegetable oils marketed in both Canada and the United States. Full-page four-colour advertisements for these oils have appeared frequently in publications with substantial overflow circulation like *Saturday Evening Post*, and *Better Homes and Gardens*. Many of these would be in contravention of Canadian Food and Drug regulations because of such claims as ". . . cuts down cholesterol, the prime suspect in coronary heart disease". Canadian regulations forbid medicinal claims for food products or references to such things as "heart" or "cholesterol" in this type of advertising. To date this has been enforced only in the case of advertising published in Canada.

7. BROADER IMPLICATIONS OF OVERFLOW ADVERTISING

Overflow advertising may have contributed in considerable part to some of the peculiarities of Canada's economic structure. The tendency for other countries to follow American production and consumption patterns has been important in recent years. Canada is probably more prone to this than any other nation because of the very frequent contact with United States advertising.

Companies operating in this country have, for example, frequently felt obliged to offer as many product lines as their American counterparts because of Canadians' familiarity with the American products. Although consumers may benefit from a greater range of choice and rapid introduction of new products, this behaviour precludes the economies of larger-scale production in some areas.

The pressure in Canada for rapid adoption of United States goods has also helped to force the country towards an apparent dilemma. Many countries have found their consumption habits changing to some extent at least to follow American experience. Such a change may be reflected in greater imports of consumer goods. Canada has experienced this at times but here we have depended a good deal on a further method of adjustment. Because of the ease of entry for American capital and technology, Canadian demands for United States goods may frequently be satisfied by the setting up of subsidiaries by American firms to produce them. In this way pressure on our balance of international payments may be avoided but American control of Canadian industry is increased.

(This study was prepared for the Commission,
by Peter M. Cornell, M.A., Ph.D.)

APPENDIX G—STATISTICAL SUPPLEMENT*

MEDIA ALLOCATION OF EXTERNAL¹ ADVERTISING EXPENDITURES,
SELECTED CANADIAN INDUSTRY GROUPS,² 1959.

Percentage of Total External Advertising Expenditures	(Number of Companies)									
	Newspapers	General Magazines	Business Papers	Weekend or Sunday Supplements	Farm Papers	Radio	Television	Direct Mail ³	Outdoor and Car Card	Other ⁴
(A) Automotive and Automotive Supplies (8 Companies)										
0.0—4.9.....	1	3	3	1	2	2	1	1	4	4
5.0—9.9.....	—	3	2	—	—	3	1	1	1	—
10.0—14.9.....	—	1	—	—	1	—	—	5	2	2
15.0—19.9.....	—	—	1	—	—	1	—	—	—	—
20.0—24.9.....	—	1	—	—	—	1	—	1	—	—
25.0—29.9.....	—	—	—	—	—	—	1	—	—	—
30.0—34.9.....	2	—	—	—	—	—	—	—	—	1
35.0—39.9.....	—	—	—	—	—	—	—	—	—	1
40.0—44.9.....	3	—	—	—	—	—	—	—	—	—
45.0—49.9.....	1	—	—	—	—	—	—	—	—	—
50.0 & over.....	1	—	—	—	—	—	—	—	—	—
(B) Building Materials and Allied Equipment (6 Companies)										
0.0—4.9.....	1	—	—	—	—	—	—	1	—	1
5.0—9.9.....	2	—	—	—	—	—	—	—	—	1
10.0—14.9.....	2	2	1	—	—	—	—	—	—	—
15.0—19.9.....	—	—	1	—	—	—	—	—	—	—
20.0—24.9.....	1	1	—	1	—	—	—	1	—	—
25.0—29.9.....	—	1	—	—	—	—	—	1	—	1
30.0—34.9.....	—	—	—	—	—	—	—	2	—	—
35.0—39.9.....	—	1	—	—	—	—	—	—	—	—
40.0—44.9.....	—	—	—	—	—	—	—	—	—	—
45.0—49.9.....	—	—	1	—	—	—	—	—	—	1
50.0 & over.....	—	1	—	—	—	—	—	—	—	—
(C) Clothing And Footwear (15 Companies)										
0.0—4.9.....	1	—	5	3	—	1	—	3	—	1
5.0—9.9.....	—	3	5	1	—	1	1	3	1	1
10.0—14.9.....	—	2	3	2	1	—	—	2	1	3
15.0—19.9.....	1	1	—	2	—	—	1	1	—	2
20.0—24.9.....	—	2	—	1	1	1	—	1	—	1
25.0—29.9.....	1	—	—	—	—	—	—	1	1	1
30.0—34.9.....	3	—	—	1	—	—	—	1	—	—
35.0—39.9.....	—	1	—	—	—	—	—	—	—	—
40.0—44.9.....	1	1	—	—	—	—	—	—	—	1
45.0—49.9.....	—	—	—	—	—	—	—	—	—	—
50.0 & over.....	7	—	—	1	—	—	—	—	—	1

Percentage of Total External Advertising Expenditures	(Number of Companies)									
	Newspapers	General Magazines	Business Papers	Weekend or Sunday Supplements	Farm Papers	Radio	Television	Direct Mail	Outdoor and Car Card	Other
(D) Drugs, Cosmetics And Toilet Goods (24 Companies)										
0.0- 4.9.....	2	3	6	3	3	4	1	5	4	3
5.0- 9.9.....	3	3	2	4	1	3	-	3	1	3
10.0-14.9.....	4	2	2	-	1	1	-	1	-	2
15.0-19.9.....	3	3	1	-	-	1	-	-	-	2
20.0-24.9.....	1	3	2	-	-	1	-	-	-	-
25.0-29.9.....	-	-	-	1	-	1	4	1	-	1
30.0-34.9.....	-	2	-	-	-	2	1	-	-	-
35.0-39.9.....	-	-	-	-	-	-	-	-	-	1
40.0-44.9.....	1	-	-	-	-	-	1	-	-	-
45.0-49.9.....	1	1	-	-	-	-	2	-	-	-
50.0 & over.....	3	-	-	2	-	2	5	2	-	-
(E) Food and Dairy Products (30 Companies)										
0.0- 4.9.....	5	5	14	2	8	4	1	6	8	6
5.0- 9.9.....	5	9	-	1	2	6	2	2	3	3
10.0-14.9.....	1	5	-	4	1	5	2	2	-	2
15.0-19.9.....	4	1	-	2	-	4	2	-	-	1
20.0-24.9.....	2	2	-	2	1	5	1	-	1	2
25.0-29.9.....	2	2	-	3	-	1	-	-	-	-
30.0-34.9.....	1	-	-	-	-	-	1	-	-	1
35.0-39.9.....	3	-	-	3	-	1	2	-	1	1
40.0-44.9.....	-	-	-	2	-	-	-	-	2	-
45.0-49.9.....	1	-	-	1	-	1	-	-	-	-
50 & over.....	2	-	-	1	-	1	3	-	-	-
(F) Electrical Equipment And Household Appliances (17 Companies)										
0.0- 4.9.....	-	5	6	1	5	3	4	2	5	6
5.0- 9.9.....	1	3	4	2	1	3	2	3	1	2
10.0-14.9.....	2	3	3	4	1	1	1	4	1	2
15.0-19.9.....	2	2	-	1	-	-	2	1	1	1
20.0-24.9.....	1	1	-	-	-	1	-	1	-	-
25.0-29.9.....	2	-	-	-	-	-	-	1	-	-
30.0-34.9.....	1	-	-	-	-	-	1	-	-	-
35.0-39.9.....	1	-	-	-	-	-	-	-	-	-
40.0-44.9.....	2	1	-	-	-	-	-	1	-	-
45.0-49.9.....	-	-	-	-	-	-	1	-	-	-
50.0 & over.....	6	-	-	-	-	-	3	-	-	1

Percentage of Total External Advertising Expenditures	(Number of Companies)									
	Newspapers	General Magazines	Business Papers	Weekend or Sunday Supplements	Farm Papers	Radio	Television	Direct Mail	Outdoor and Car Card	Other
(G) Office Machines, Equipment And Supplies (11 Companies)										
0.0-4.9.....	1	-	2	1	-	-	-	1	2	-
5.0-9.9.....	-	1	1	-	-	-	-	-	-	1
10.0-14.9.....	-	1	1	-	-	-	1	2	1	1
15.0-19.9.....	2	3	1	1	-	1	-	-	-	1
20.0-24.9.....	1	-	-	-	-	-	1	2	-	-
25.0-29.9.....	1	1	1	-	-	-	-	1	-	-
30.0-34.9.....	-	1	1	-	-	-	-	-	-	-
35.0-39.9.....	1	1	1	-	-	-	1	-	-	-
40.0-44.9.....	-	-	1	-	-	-	-	-	-	-
45.0-49.9.....	-	-	1	-	-	-	-	-	-	-
50.0 & over.....	2	2	1	-	-	-	-	1	-	-
(H) Paints And Chemicals (9 Companies)										
0.0-4.9.....	5	1	2	2	6	4	-	-	1	-
5.0-9.9.....	2	1	-	1	-	1	1	1	1	2
10.0-14.9.....	-	3	1	2	-	1	1	3	-	-
15.0-19.9.....	-	1	3	-	1	-	1	3	-	3
20.0-24.9.....	-	1	1	-	-	-	2	2	1	1
25.0-29.9.....	-	-	1	1	-	-	1	-	-	1
30.0-34.9.....	-	-	-	-	-	-	1	-	-	-
35.0-39.9.....	-	-	1	-	-	-	-	-	-	-
40.0-44.9.....	1	-	-	-	-	-	-	-	-	-
45.0-49.9.....	-	-	-	-	-	-	-	-	-	-
50.0 & over.....	1	-	-	-	-	-	-	-	-	-
(I) Petroleum Products (12 Companies)										
0.0-4.9.....	1	6	6	5	7	1	1	4	1	2
5.0-9.9.....	-	2	2	-	-	3	-	3	1	4
10.0-14.9.....	3	-	1	-	-	3	-	1	2	1
15.0-19.9.....	1	-	-	-	-	2	1	-	1	1
20.0-24.9.....	1	-	-	-	-	1	2	-	-	2
25.0-29.9.....	3	-	-	-	-	-	1	-	1	-
30.0-34.9.....	-	-	-	-	-	-	2	-	1	-
35.0-39.9.....	-	-	-	-	-	-	-	-	1	-
40.0-44.9.....	1	-	-	-	-	-	-	-	1	-
45.0-49.9.....	-	-	-	-	-	-	1	-	1	-
50.0 & over.....	1	1	-	-	-	-	-	-	-	1

Percentage of Total External Advertising Expenditures	Newspapers	General Magazines	Business Papers	Weekend or Sunday Supplements	Farm Papers	Radio	Television	Direct Mail	Outdoor and Car Card	Other
(J) Soaps, Waxes, Household Supplies (10 Companies)										
0.0-4.9.....	4	4	2	1	1	2	-	2	2	1
5.0-9.9.....	1	-	1	1	-	-	-	-	-	-
10.0-14.9.....	1	3	-	1	-	-	-	1	-	1
15.0-19.9.....	-	-	-	-	-	4	-	-	-	-
20.0-24.9.....	1	1	-	1	-	1	1	-	-	-
25.0-29.9.....	-	-	-	-	-	1	-	-	-	-
30.0-34.9.....	-	-	-	-	-	-	1	-	-	-
35.0-39.9.....	-	-	-	-	-	-	-	-	-	1
40.0-44.9.....	-	-	-	-	-	1	1	-	-	-
45.0-49.9.....	-	-	-	-	-	-	1	-	-	-
50.0 & over.....	1	-	-	1	-	-	5	-	-	-

* This table is based on replies to the Commission's questionnaire on advertising.

¹ External expenditures comprise billings against a company by any agency or other organization for space, time and production costs for any advertising medium.

² The number of companies in a group may differ from Table 8; some firms reported media allocations but not ratios of advertising expenditures to sales.

³ Includes, for example, catalogues, circular letters and relevant postal costs.

⁴ Includes point-of-sale or dealer-help materials.

THE PERIODICAL PRESS IN OTHER COUNTRIES

The Commission made inquiries abroad in order to discover situations in foreign countries similar to those in Canada. The survey had two parts: I—an investigation of overflow circulation and by-product publishing; II—an examination of legislation affecting the periodical press.

Part I

It was evident from the outset that in many countries the domestic press is protected by a language barrier, a protection which is effective and permanent. It leaves the domestic press with a monopoly of readership, free of all competition from abroad.

With these countries the Commission's survey was not primarily concerned. Its inquiries were directed to nations which share a common language, because only in these countries can substantial overflow circulation occur and, consequently, by-product publishing develop. Four common language groups were investigated.

**Overflow
Circulation
and
By-Product
Publishing****(1) GERMAN**

Switzerland: About 72 per cent of the population of Switzerland is German-speaking so that there is a ready market in that country for German-language periodicals from abroad. As would be expected, the overflow into Switzerland from West Germany is substantial.

The market is not, however, further developed. German periodicals do not contain editorial matter adapted to Swiss tastes or advertising directed to Swiss consumers.

All the large distributors of foreign periodicals in Switzerland are Swiss-owned and a system of voluntary controls has developed among them to insure that a certain amount of display, sales, and promotion for domestic publications is maintained.

A postal law of 1934 puts a special tax, called the "taxe régale", on the delivery of foreign periodicals. The levy applies to foreign newspapers appearing once or more a week, to periodical supplements printed abroad for Swiss newspapers, and to newspapers, publications, and periodicals appearing under a Swiss title or issued by a Swiss firm, but entirely or partly printed abroad. The "taxe régale" was replaced in 1950 with a surcharge of 65 centimes per kilo; in 1960 that was reduced to 50 centimes per kilo. The surcharge is designed to cover transportation costs; if the importer collects the periodicals at the border, no charge whatever is levied.

In addition, the Swiss government has taken direct action to assist cultural and little periodicals and gives preferential postal rates to periodicals generally.

As a result of these measures, there is a strong domestic publishing industry in Switzerland, reporting for 1956 over 1,000 periodicals circulating in 13 million copies per issue. Indeed, several Swiss periodicals—*Sie und Er*, *Schweizer Allge-*

meine Volkszeitung, *Schweizer Illustrierte Zeitung*—have substantial circulations in Austria and Germany.

Austria: It is in Austria that the main impact of German (and Swiss) periodicals is felt. Nearly 75 per cent of the Austrian market is occupied by periodicals overflowing from these countries.

Again, however, the market is not developed beyond overflow circulation. With the exception of *Der Stern* (70,000) and *Bayers Mode*, West Germany editorial matter is not adapted to Austrian tastes and is not used to support advertising directed to Austrian consumers.

As in Switzerland, virtually all foreign periodicals are distributed in Austria by domestically-owned firms. Moreover, most domestic periodicals cost about 3 schillings, but nearly all foreign periodicals cost between 8 and 12 schillings.

Although foreign magazines enter Austria duty-free, an “equalization tax” of 5.25 per cent is applied on their value at the Austrian border. A further tax of 1.8 per cent is applied if the item is handled by an Austrian distributor and passed to an Austrian retailer; if sold by the Austrian retailer, a further, distinct “turn-over tax” of 5.25 per cent is levied. If an Austrian distributor retails the publication, the 5.25 per cent “turnover tax” is applied and the 1.8 per cent tax ignored. Austrian periodicals are subject only to the turnover tax; foreign publications, then, may pay about 5.25 per cent or 7.05 per cent more in taxes.

The taxes do not apply if the publication is mailed to subscribers in Austria; but individual subscriptions in Austria—as in most European countries—account for less than 20 per cent of periodical sales. The taxes, then, may be said to be generally applicable.

Most Austrian publishing enterprises are widely diversified. In publishing periodicals these firms offer a less costly product with a national flavour not otherwise available. Thus, despite the heavy overflow of German-language publications, there is in Austria a strong periodical press.

West Germany: While a few Austrian and a larger number of Swiss periodicals manage to penetrate the West German market, the circulation of foreign periodicals in that country is very small when compared with the circulation of domestic periodicals. The periodical press includes about 5,600 publications of all types, with a circulation per issue of over 70 million.

As would be expected, the population and standard of living in West Germany gives it a dominant position in the publication of German-language periodicals.

Table 1

Country	Year	Popu- lation	Liter- acy %	Maximum Literate Population	Number of Newspapers Daily Other		Number of Peri- odicals
Austria.....	1956	6,954,000	98-99	6,884,000	35	.....	1,553
West Germany.....	1956	51,227,000	98-99	50,714,000	671	134	5,579
		**	**	**	**		
Switzerland.....	1956	4,877,000	98-99	4,828,000	127	316	1,033
		**	**	**	**		
Belgium.....	1955	8,778,000	96-97	8,514,000	39	15	2,957
France.....	1956	42,860,000	95-96	41,145,000	132	120	8,873

SOURCES: UNESCO, Statistics of Newspapers and Other Periodicals (1959).
UNESCO, World Communications: Press /Radio /Film /Television (1956).

International Magazines: Three "international" magazines are published in German. The largest, *Das Beste aus Reader's Digest* has West German (915,000), Swiss (70,000) and Austrian (70,000) editions. *Populare Mechanik* (84,584) is published from West Germany and the International True Story group (23,904) from Switzerland. Both circulate throughout the German-speaking nations.

(2) FRENCH

France: With regard to French-language periodicals, France occupies the same dominant position that West Germany enjoys among German-language publications. In 1956 the circulation per issue of French periodicals was reported to exceed 115 million; 8,873 periodicals were tabulated, covering almost every aspect of social life. Of particular interest is the annual turnover in new publications, which at that time exceeded 1,000. Gains had exceeded losses since only 4,075 periodicals were recorded in 1951. Circulations had also continued to rise. Examples of the large French periodicals include: *Paris-Match* (1,800,000), *Elle* (850,000), *Marie-Claire* (1,200,000), *Marie-France* (1,800,000), *Constitution* and *Jour de France*.

Switzerland: The overflow into Switzerland, where 20 per cent of the population is French-speaking, is considerable, but the domestic market there is to a certain degree protected.

Belgium: Belgium has a French-speaking population of about 4 million, as against France's 44 million. As would be expected, the overflow of French periodicals is very large. The Belgian reaction has been to emphasize the different and the original, putting the emphasis on things Belgian, thus complementing (rather than competing with) the information contained in French periodicals.

French periodicals, on the other hand, pay little attention to Belgian affairs and contain virtually no advertising directed to Belgian consumers.

There are exceptions: *Elle*, *Modes et Travaux* and *Femmes d'Aujourd'hui* publish Belgian editions. The largest of these, *Femmes d'Aujourd'hui*, circulates 1 million copies in France and 300,000 in Belgium. But it should be understood that, in this context, "editions" differ from the main periodical not so much in advertising as in editorial.

Belgian publishers are also assisted by Government measures. They receive special sales tax and customs duty exemptions on their materials and a preferential mailing rate on their periodicals.

Belgian periodicals do pay some duties on newsprint, but this is compensated for by a "taxe de transmission forfaitaire" of 6 per cent levied on imported periodicals, valued for this purpose at an arbitrary 30 francs per kilo. Aided in this manner some Belgian periodicals have reversed the trend by developing substantial circulations in France. *Bonnes Soirées* is controlled by a Belgian firm and publishes both a Belgian (170,000) and a French (1,000,000) edition.

Femmes d'Aujourd'hui is a particularly interesting situation because it is owned by Librairie Hachette. This company, probably the largest French publisher, also controls Les Messageries Nationales de La Presse, a quasi-monopoly of periodical distribution in France, and Agence Canadienne Hachette Ltée., which distributes approximately 75 per cent of the periodicals from France circulating in the Province of Quebec.

International Magazines: There are also a number of "international" magazines published in French. Reader's Digest publishes *Sélection* in four regions: France

(1,020,000), Belgium (90,000), Switzerland (30,000) and Canada (190,000). *Mécanique Populaire* (88,000) circulates in Europe, Africa and Canada. These periodicals do accept domestic advertising but they are reported not to have made serious inroads into domestic advertising revenues.

(3) SPANISH AND PORTUGUESE

Table 2

Country	Year	Popu- lation	Liter- acy %	Maximum Literate Population	Number of Newspapers Daily Other		Number of Peri- odicals
Spain.....	1956	28,528,000	80-85	24,248,000	101	132	1,328
Mexico.....	1956	28,053,000	55-60	16,831,000	162	42	332
Caribbean:							
Colombia.....	1956	12,108,000	50-55	6,659,000	37	.....	284
Costa Rica.....	1955	881,000	75-80	704,000	6	9	56
Cuba.....	1956	5,807,000	75-80	4,645,000	58	16	750
Dominican Republic.....	1955	2,291,000	40-45	1,030,000	5	24	28
Ecuador.....	1955	3,439,000	50-55	1,891,000	24	34	55
El Salvador.....	1955	2,052,000	35-40	820,000	10	2	35
Guatemala.....	1956	3,048,000	25-30	914,000	7	11	27
Honduras.....	1956	1,557,000	35-40	222,000	7	16	11
Nicaragua.....	1955	1,166,000	35-40	466,000	11	68	12
Panama.....	1955	864,000	65-70	604,000	11	29	21
Peru.....	1955	9,035,000	40-45	4,065,000	60	80	156
Puerto Rico.....	1956	2,229,000	75-80	1,783,000	5	3	96
Venezuela.....	1955	5,497,000	40-45	2,473,000	28	80	150
Southern Hemisphere:							
Argentina.....	1957	18,393,000	85-90	16,553,000	341	1,334	2,173
Bolivia.....	1955	3,107,000	20-25	776,000	11	11	23
Chile.....	1956	6,072,000	70-75	4,554,000	73	176	463
Paraguay.....	1955	1,496,000	55-60	897,000	4	.....	19
Uruguay.....	1957	2,525,000	80-85	2,146,000	28	4	112
		**	**	**	**		
Portugal.....	1956	8,621,000	50-55	4,741,000	28	239	453
Brazil.....	1954	55,772,000	45-50	27,886,000	217	908	1,864

SOURCES: UNESCO, Statistics of Newspapers and Other Periodicals (1959).
UNESCO, World Communications: Press/Radio/Film/Television (1956).

Spain and Portugal: Whether because they are subject to censorship or because they are separated by the Atlantic Ocean, periodicals from Spain and Portugal have not obtained substantial circulations in Latin America, and vice-versa.

Latin America: Indeed, even between different countries in Central and South America, overflow circulation is less than would be expected. While there are many periodicals in these countries few attain circulations which are large by North American standards. One of the largest Spanish-language magazines, *Radio-landia*, published in Argentina has a circulation of approximately 200,000. Other large Spanish-language magazines are: *La Familia* (160,000), *Jueves Excelsior* (70,000) and *Sucesos* (70,000) in Mexico; *Vea* (150,000) and *Ereilla* (100,000) of Chile. The main Portuguese periodical, *O Cruzeiro*, is published from Brazil in 500,000 copies.

The foreign circulations of these periodicals average 15 per cent although *La Familia* achieves 35 per cent and a Spanish edition (200,000) of *O Cruzeiro*

is specifically designed for international circulation. Rarely exceeding 30,000 copies, their overflow is not serious. It becomes insignificant when distributed among the people of the 23 Spanish or Portuguese-speaking countries to whom they are directed.

Nonetheless, several Spanish and Portuguese-language countries have legislated with regard to the press.

As has been mentioned, Spain, Portugal—and now, Cuba—censor periodicals. These countries permit domestic publishing only by license, and restrict importations.

In Brazil periodical houses must be wholly-owned by nationals and domestic publications receive special newsprint prices. In Mexico a majority of the shares in periodical houses must be held by nationals and in December, 1958, Mexico proposed to levy, but later abandoned, an income tax of 10 per cent on the distribution of foreign periodicals. Chile closely regulates the establishment of foreign investment and bulk imports of periodicals must be secured by a customs deposit of 400 per cent of value for 90 days. Argentina requires the director or manager of a press enterprise to be an Argentine citizen.

International Magazines: As a result of these and similar requirements the publication of the “international” magazines in Spanish and Portuguese is done under unusual circumstances. *Life en Espanol* publishes from Chicago three regional editions: Mexico (140,000), Caribbean (110,000) and South America (125,000). *Selecciones del Reader’s Digest* publishes its Iberian edition (160,000) from Madrid and 4 regional editions from Mexico: Mexico (350,000), Argentina (320,000), Caribbean (440,000) and Southern Hemisphere (150,000). *Mecanica Popular* publishes 2 regional editions from Chicago: Mexican-Caribbean (100,000), and Southern Hemisphere (60,000). International *True Story* Group publishes an edition from Mexico in the Spanish-language (100,000) and *Vision* is published from New York both as a Spanish edition (120,000) and a Mexican section (40,000). The same situation exists in Portuguese periodicals where the main international publications are: *Selecoes do Reader’s Digest* (435,000), *Mecanica Popular do Brazil* (60,000) and *Visao* (50,000). Both *Selecoes* and *Mecanica Popular* are published under license from Rio de Janeiro.

The advertising rates of these periodicals are high compared to those available in domestic magazines. Advertising in the international magazines is usually sold on a combined basis to international companies operating in the geographical areas concerned.

(4) ENGLISH

Table 3

Country	Year	Popu- lation	Liter- acy %	Maximum Literate Population	Number of Newspapers Daily Other		Number of Peri- odicals
Australia.....	1957	8,829,000	98-99	8,740,000	53	393	801
Canada.....	1956	14,781,000	97-98	14,485,000	98	988	661
Ireland.....	1954/1956	2,942,000	98-99	2,912,000	9	63	47
New Zealand.....	1956	2,047,000	98-99	2,026,000	42	87	134
United Kingdom.....	1957	50,857,000	98-99	50,348,000	114	1,342	3,972
United States.....	1954	159,629,000	97-98	156,436,000	1,820	6,692	3,427

SOURCES: UNESCO, Statistics of Newspapers and Other Periodicals (1959).
UNESCO, World Communications: Press/Radio/Film/Television (1956).

United Kingdom: The two great English-language periodical publishing centres are the United States and the United Kingdom. Separated by the Atlantic Ocean, by cultural and economic differences, the periodicals of one country have obtained only a token overflow circulation in the other.

British, like most European periodicals, traditionally depend less on advertising revenues than American periodicals. Their dependence has, however, been growing and there has recently been a trend towards mass appeal and high circulation. Most of these popular publications are owned by large organizations and, in their efforts to keep in close touch with the public taste in reading, these giants have ceased to publish some periodicals which have shown a decline in circulation and introduced others which they believed might have more popular appeal. It is a process of replacement and should not be construed as symptomatic of an unhealthy industry.

Publishers in both countries have actively promoted the sale of their periodicals in the other English-speaking nations of the world, and they have been encouraged to this end by their respective governments. The Information Services of both countries purchase periodicals of all types for distribution abroad and the United Kingdom Dollar Exports Council has been working to expand the circulation of British publications overseas.

At present the foreign circulation of British domestic periodicals is particularly large and while it only very rarely contains foreign advertising it does cause difficulties for foreign publishers by the mere fact of its quantity.

Ireland: Ireland is a case in point. A predominantly agricultural country with a population of not quite 3 million, Ireland bears to the United Kingdom a population ratio of approximately 1:18. As would be expected the Irish market is inundated with British publications:

Table 4
**Importation of British and Other Foreign
Magazines and Periodicals into Ireland**

Year	United Kingdom		Other		Total	
	Number	Value(£)	Number	Value(£)	Number	Value(£)
1953.....	27,663,480	359,261	1,642,476	45,692	29,305,956	404,954
1956.....	26,655,888	382,857	2,017,152	59,195	28,378,380	442,052
1959.....	25,376,836	405,143	2,391,960	71,304	26,768,496	476,447

In comparison there are in Ireland about 50 periodicals. The largest are: *The Irish Catholic* (70,247), *The Radio Review* (60,395), *Our Boys* (50,912), *Ireland's Own* (50,295), *Pioneer* (45,353), *The Irish Digest* (45,000) and *The Catholic Digest* (40,439). The total circulation of Irish periodicals per issue was reported in 1956 to be approximately 828,000.

The Government of Ireland has intervened to assist the Irish periodical press in three ways. First, Irish censorship (which is really aimed at immorality) excludes a number of large periodicals completely from the country. Second, direct assistance, through subsidies administered by the Department of Education, is granted to certain publications in the Irish-language, as part of the general programme of Irish-language and culture revival. Third, a per copy duty of ½d. and a levy of ¾d. is charged on periodicals imported in bulk for newsstand sale.

There can be no doubt that these measures are of some assistance to the Irish press. Its main strength, however, is domestic advertising, which remains untapped by the overflow circulation of British periodicals. These do not contain Irish advertising, although they sometimes include editorial matter directed to Irishmen. It is, for instance, common for a British advertisement which offends Irish law to be removed from the copies destined for Ireland, and replaced with Irish editorial.

Australia and New Zealand: Overflow circulation from Great Britain is also a problem in Australia and New Zealand, although in these countries it is compounded by overflow periodicals (especially “returns”) from the United States.

In Australia there has been at least one official inquiry (in 1946) into the situation, and publishers persist in calling for another. Imports of books, newspapers and periodicals have been increasing steadily, with the United States obtaining a growing share of the market:

Table 5
Importation of British, American and Other Foreign
Books, Newspapers and Periodicals * into Australia
(in £ Australian)

Year	United Kingdom	United States	Other	Total
1936-37.....	844,521	129,125	34,123	1,007,769
1944-45.....	1,146,805	231,224	55,850	1,433,879
1956-57.....	7,243,728	695,473	72,813	8,012,014
1959-60.....	8,222,031	2,302,682	99,480	10,624,193

*Periodicals constitute about 3/10 of all imports.

As in the case of Ireland, the problem is confined to overflow circulation, but, unlike Ireland, Australia and New Zealand enjoy the protection of distance with the result that each supports a substantial domestic publishing industry.

United States and Canada: Overflow from Britain to the United States and Canada is slight; from Canada to the United States, almost non-existent. Overflow from the United States to Canada has been dealt with in detail in the foregoing *Report*.

International Magazines: There are a few “international” magazines. *Reader’s Digest* publishes both an Australian (410,000) and a New Zealand (75,000) edition. *Vogue* (33,000) and the *International True Story Group* are published from Australia and, like *Reader’s Digest*, accept domestic advertising. They do not, however, constitute anything like a threat to periodical advertising expenditures.

In the English-speaking world there are other editions of the large “international” magazines. *Reader’s Digest* is published for South Africa (145,000) and India (72,000). *Reader’s Digest* published in an English edition (1,165,000), and European editions of both *Time* (165,997) and *Newsweek* (61,637) circulate in the United Kingdom, as well as throughout continental Europe. Time Inc. publishes *Life International* (361,562) and *Time Pacific* (111,272). *Newsweek* also publishes for the Pacific (34,933). Circulating in many countries, across vast populations, these periodicals find their main advertising purchasers among large international companies and do not offer serious competition for domestic advertising revenues.

Part II

**Legislation
Affecting
the
Periodical
Press**

The Commission examined foreign legislation in order to discover possible means of assisting and protecting the periodical press in Canada. Consequently, the survey was not concerned with nations where the press is subjected to censorship. The legislation examined was that in legal systems where the press is a private enterprise or, in any case, an enterprise independent of political authorities, and as such is governed by a code of ordinary law based on the freedom of constitution and the private nature of all enterprises.

(1) ORDINARY LAW

Of course, no matter what the legal system may be, every form of social activity, and more especially of collective activity, is subject to some degree of regulation. Every enterprise is obliged to respect the rules of commercial law, civil law and the labour laws. When an enterprise takes the form of a commercial company—which is usually the case with undertakings of any considerable size, and now applies to most press concerns—its formation, articles, and form of management must conform to a certain type, and declarations and public announcements must be made regarding its by-laws, its directors or partners, its capital and its accounts. The regulations vary in their degree of stringency according to the nature of the company: the extent of its responsibility, whether or not its shares are publicly dealt in, etc. These enterprises are, moreover, subject to administrative supervision, especially of a fiscal nature, which may be very closely exercised. In the treatment of their staff they are obliged to observe conditions which, owing to the growth of social legislation, are continually increasing.

This body of “ordinary law”—that is, law applicable to all, no matter what the endeavour—can have special significance when applied to the press.

There is, for instance, in many countries—Argentina, Bolivia, Chile, France, Haiti, Honduras, Guatemala, Luxembourg, and Uruguay, to name but a few—legislation to the effect that limited companies can be formed only after permission has been obtained from the executive. In some of these countries, limited companies are subject to governmental supervision throughout their existence. Their management and financing may be regulated closely; it is not uncommon for ownership and control to be limited to nationals (for example, in Mexico, Brazil, and Chile). The clear effect on the periodical press is the prevention of direct participation in domestic publishing by foreign investment.

Moreover, certain general economic measures, although part of the ordinary law, have enormous impact on periodical publishing. Foreign exchange regulations may effectively control both investment from abroad and the importation of foreign periodicals. More particularly, the control and allocation of newsprint can, within the ordinary law, accomplish a degree of protection and assistance far greater than direct measures such as taxation or tariffs.

The difficulty of the ordinary law is that, by definition, it applies to all enterprises. As a means of dealing with the press particularly, it is inefficient, affecting as it does so many other economic concerns.

(2) PRESS LAW

As well as the ordinary law, there exists in most states a certain number of special rules applicable either to the formation or to the management of press undertakings particularly.

Formation: The publication of a newspaper or periodical carries with it certain special responsibilities: to avoid libel, sedition, and so on. These responsibilities are the necessary counterpart, and consequently the safeguard, of freedom of expression. The extent to which the law provides a precise enumeration of the abuses of this freedom, defining them and laying down penalties for them, gives the measure of the extent to which that freedom will really be insured.

But the responsibilities attendant upon the publication of a periodical are of a special nature, not only because of its function, but also because the process of its publication involves a number of people.

The purpose of the rules is to impose a certain procedure to be followed concerning the formation of press undertakings previous to the publication of a newspaper or periodical, whereby the responsibilities of publication may be fixed upon some particular person.

These rules fall into three categories:

(i) Registration: A pre-publication declaration or registration to be made to the administrative or judicial authorities. This declaration may be very much in the nature of a pre-publication authorization in some countries, although it is generally only a formality.

France, New Zealand, Italy, England, Mexico and Nicaragua are among the many countries requiring registration of periodicals or declaration of ownership to either administrative or judicial authorities.

In some countries, as in the Union of South Africa, the declaration may be accompanied by the payment of a tax. In other nations—Uruguay, Sweden, and Turkey, for example—the declaration is subject to verification and may be rejected. Sweden's Freedom of the Press Act is of particular interest. It provides that a press enterprise may not publish a newspaper or periodical without having obtained a "Certificate of Publication", delivered to the proprietor by the Minister of Justice. This "Certificate of Publication" can be delivered only after the proprietor has made a declaration, in terms prescribed by the law, that among other things both he and his "responsible editor" are Swedish nationals. Once obtained, the "Certificate of Publication" may be withdrawn by the Minister of Justice in a number of cases, among which is included the transfer of the ownership of the publication to a person or body corporate of other than Swedish nationality.

(ii) Caution Money: Certain legal systems require caution money or a guarantee to be deposited when the enterprise is formed and before it starts work. Again, the function of this requirement is part of the system of engaging responsibilities. Its purpose is usually to ensure the payment of any fine or damages.

As a legislative technique, the payment of caution money or deposit is becoming increasingly uncommon among the nations of the world, although it continues to exist in Colombia and several other nations.

(iii) Responsible Agent: As suggested by the Swedish method of registration, many legal systems go further than mere declarations, and require that, whatever may be the legal form of the enterprise, a special representative shall be appointed mainly in order to bear the responsibilities that publication may involve. In some cases all that is required is someone to take responsibility for the publication, no matter what his connection with the enterprise itself or his share in its management. An agent of this type is becoming rare, however, and the majority of legal systems require the appointment of a responsible director or editor. This is the case in Italy and in Nicaragua.

A few legal systems go even further, requiring that the responsibility be borne by someone who, whatever may be his theoretical standing, plays an effective and leading part in the publication. Both Uruguay and Sweden require that the bearer of responsibility must not only be of age and in enjoyment of his civic rights, but must be in effective editorial control, with power to decide on the publication or refusal of any contribution.

Management: The special responsibilities fixed by requirements of formation exist because of the power and authority of the press.

In modern times, this power is magnified, and this authority enhanced by the unfettered development of liberal economic systems. The extensive material resources, and the corresponding financial backing, now required to begin and continue publishing ventures, give rise to the concern that the press may become concentrated in the hands of the few, to the disadvantage of the many. Denied the opportunity to express himself, and ignorant of the interests of owner, advertiser, and financier, the reader—some contend—is better off with no press at all.

These problems and their variations have given rise to a great flow of ideas, to the establishment of commissions for study or investigation*, to attempts at reforms and to some that have actually been carried out.

Some of the chief points of concern are:

(i) Concentration: The legislation in the countries of the world on this subject provides very few examples of provisions especially intended for the press and aimed at restricting concentration in the form of trusts or cartels. In most cases, concentration in the periodical press is dealt with under existing anti-trust laws which apply generally in all branches of the economy. Such is the case in the United States, Great Britain and France.

(ii) Distribution: The power to publish is meaningless without means of distribution; indeed, the latter is an integral part of the former. The recent trend towards the concentration of distributional facilities has given rise to the same fear of monopoly that exists for publishing itself. As a result, some nations have legislated; in France, for example, a quasi-monopoly in periodical distribution, *Les Messageries Nationales de La Presse*, operates as a sort of co-operative, subject always to government control and official sanction.

More common is legislation requiring distributors to register themselves. As with registration laws for publishers and editors, this legislation may be anything from a mere engagement of civil responsibility for the publications made available, to a means of keeping periodical distribution in the hands of nationals. Thus, in Sweden and in several other European countries, the distributor must be a citizen.

(iii) Advertising: Nearly every nation regulates advertising appearing in its press. The number of regulations is vast, and, for the most part, is chiefly designed to protect morality, decency, or public health. In some cases, however, the purpose is to ensure certain ethical standards for the press itself, as, for instance, by forbidding advertisements disguised as editorial material.

A few countries tax advertising. England recently enacted a tax on television advertising; in France, a tax of 8.5 per cent is applied to the advertising content

* In Sweden, Italy, Switzerland, France, certain Latin American States, the United States and the United Kingdom, to name a few. Most notable are: The Commission on the Freedom of the Press (U.S.A., 1947); the Political and Economic Planning Committee report on the British Press (U.K., 1938); the Royal Commission on the Press (U.K., 1947); and yet another Royal Commission on the Press in the United Kingdom, established in 1961.

of all publications. Where a foreign periodical contains domestic French advertising, this tax is applied on the basis of a ratio of French circulation to total circulation.

(iv) Correction, Reply, and Privacy: Concern for the position of the individual *vis-à-vis* the authority of the press has given rise in some jurisdictions to legislation of a broader scope than mere enunciation of the freedom of expression. Enforceable rights of correction or reply are provided for in France, Italy, Luxembourg, Belgium, Switzerland, Mexico, Turkey, and in the United States, Nevada. A right to privacy (from unnecessary exposure by the press) has been debated recently in the United Kingdom.

(3) SPECIAL PROVISIONS

Virtually all of the foregoing legislation can be manipulated to operate to the advantage of a domestic press and to the disadvantage of imported periodicals. More often than not, however, these objectives of assistance and protection are obtained directly.

Assistance: Assistance may take many forms. It may take place in every section of the press industry, at every one of the stages through which a newspaper or periodical passes in the course of its publication—from the purchase of the raw materials, especially paper, or the procuring of news, to the printing and distributing.

(i) Taxation: A special system of taxation intended to help the press exists in several countries. In Nicaragua, for example, the distribution and sale of books, pamphlets, newspapers and reviews are exempt from all taxation. The same exemption is granted for printing equipment, paper, and in general all material used in book and newspaper publishing. Lesser degrees of exemption also exist in certain Latin American States (for example, Mexico) and in some European countries (for example, France). Likewise, reductions in rates of transmission—by post, telephone and telegraph—and transport are granted almost everywhere, though varying in the extent and in the conditions under which they are conferred.

(ii) Postal Rates: Reduced postal rates are the most common form of assistance. In nearly all countries periodicals enjoy lower rates than those paid by other kinds of printed matter and in some cases (Peru, Venezuela) they are even carried free of charge. In Cuba, journals devoted to the spreading of information of a public, artistic, a literary or scientific nature are carried post free. In Australia, reductions are granted only for the mailing in bulk of newspapers and periodicals. In England, New Zealand, France and Norway appreciable reductions in postal rates are likewise granted to such newspapers and periodicals as are registered and comply with certain conditions.

(iii) Transmission: Privileges affecting telephone or telegraph charges are granted under similar condition; they range from complete exemption (Nicaragua) to appreciable reductions, to obtain which nothing more than prior registration is usually required (United Kingdom).

(iv) Transportation: Many systems also grant special reductions in foreign transport rates for publications and international transmission rates. These reductions result either from special international regulations, or from international agreements which cannot be described here in detail.

Protection: On the other hand, some nations adopt rules the sole purpose of which is the protection of national enterprises.

These rules fall into two categories:

(i) **Subsidy:** Assistance to the domestic periodical industry is sometimes taken to the extreme of direct financial grants. The philosophy behind this approach is that, while the independence of the press is inextricably bound up with its status as a free enterprise (implying the absence of any government interference or subsidy), freedom of information is not compatible with the overwhelming of national by foreign enterprises. Thus, some people maintain that in cases where, owing to the ever-increasing cost of technical processes connected with publishing, it is found impossible for certain information or press organizations to be commercially self-supporting, such enterprises ought to be directly assisted by public money. It is on this basis that cultural and little periodicals are subsidized in Ireland and Switzerland.

(ii) **Discrimination:** The second category of rules are inspired by a desire to put foreign and national periodicals on an equal footing.

It is, of course, preferable that there shall be no discrimination between foreigners and nationals in the publication and distribution of periodicals, but at the same time, it is clear that in some countries, the domestic press is so threatened by foreign intervention and competition that both its utility and existence are in doubt. In these countries, it is considered that the political nature of the purpose for which the press exists and the political influence consequently asserted by its leaders necessitate the conferment upon nationals of certain privileges and priorities in publication and distribution accruing to them as part of their political right. The rules to be found, in this connection, in the various legal systems are of several types.

(a) **Ownership:** Some of them are aimed at reserving to their nationals the right to manage a press enterprise, or in some cases, even, the right to own one. In many countries, no foreigner may own or manage a newspaper (Colombia, Sweden). In some other countries, they are entitled to do so on condition that reciprocity is granted (Italy, Lebanon, France).

In Turkey, foreigners may not publish a newspaper or periodical except with permission of the government, and on condition that the manager of the publication is a Turkish national. In some cases, press enterprises run by foreigners are allowed to function without restriction under the general legal system applied to foreign enterprises, but are subject to certain special formalities. In India and other Asian countries, residence is required of the editor and staff. In the United States, certain foreign press enterprises, by reason of their form, may be required to be registered at the Attorney General's office, to print a special announcement in their publication, and to deposit copies of those publications in certain special quarters.

(b) **Investment:** Certain rules are intended to restrict foreign financial participation in press enterprises.

The regulations in respect of foreign press enterprises as of other types of other foreign enterprise, have already been mentioned. While these exist to ensure the application of general exchange control measures affecting the transfer and investment of foreign capital, they are sometimes applied selectively (as, for example, in Brazil).

There are also measures peculiar to the press, aimed at limiting or preventing the investment of foreign capital. For example, in Colombia, the majority of the

capital must be held by Colombian citizens. In the Phillipines, investment of foreign capital is limited to 40 per cent. In France, unless reciprocity is granted, all who participate financially in a French press enterprise must be of French nationality.

A very great number of legal systems control or prohibit the allocation of foreign subsidies to national enterprises, whether such subsidies are intended to exert a political influence or are provided by a foreign government. Swedish penal laws make it a criminal offence to accept money or any other form of remuneration from a foreign power in order to influence public opinion as regards the form of national government, or the home or foreign policy of the country, by the publication or distribution of printed matter. In France, it is a criminal offence for the director of a press enterprise to accept, directly or indirectly, any funds or advantages from a foreign government, except funds wherewith to pay for advertisements.

(c) Importation: Finally, certain countries impose various restrictions on the entry and circulation of publications published abroad either by banning certain categories of periodicals or by requiring special authorization which may be withheld or by means of taxation or price increases. Many of these have been cited in Part I. They include censorship, special taxes or quotas upon the importation of publications, restrictions arising out of exchange regulations and the balance of payments, and special tolls and tariffs.

It is clear that—with the exception of Canada—by-product publishing is not a threat to the existence of the periodical press in any of the countries examined by the Commission. In some countries overflow circulation is heavy, but nowhere as severe as in Canada. In none of the other countries is it compounded by substantial overflow advertising.

There are certain international magazines which carry advertising directed at domestic consumers. This advertising is nearly always purchased on a combined-rate basis by international companies. The magazines concerned circulate in many countries across vast populations and the advertising they contain is more of the overflow than the domestic variety. Where this is not so—where, in rare instances, international magazines do carry domestic advertising—there remains a healthy, varied, and much larger domestic periodical press. Canada, once again, appears to be an exception.

All countries subject to overflow circulation have enacted measures which provide a degree of protection or assistance for their domestic periodicals. Indeed, many other nations not subject to foreign intervention or competition have legislation reserving to their nationals the right to own or to edit or to distribute periodicals.

All countries examined by the Commission assist periodicals generally, in one way or another. All have legislation directed particularly at the press. It is interesting to note that, among these nations, Canada appears to have less restriction and regulation of expression, less assistance, and less protection of domestic publishing than nearly all the others.

The difficulties of compiling international statistics on periodical publications are self-evident. It is not possible to establish a standard year, and methods of classification and tabulation vary between countries.

This survey is primarily based upon information collected by the United Nations Education, Scientific and Cultural Organization, and uses the UNESCO definition of "periodical": A periodical is a publication other than a newspaper

Conclusion

Note

which appears under the same title at regular or irregular intervals, but more than once a year and over an indefinite period, and whose content varies widely, ranging from information of a general nature to specialized trade, technical and professional subjects. Neither serial publications, which are planned to be completed within a given period, nor annual publications are counted as periodicals. The following types of publication are also excluded: timetables, publicity material, and local school and parish publications.

The statistics used in Part I of this survey are drawn mostly from the following UNESCO statistical reports and studies: *Statistics of Newspapers and Other Periodicals* (1959), *Recherches Actuelles sur Les Moyens d'Information* (1957), *World Communications: Press/Radio/Film/Television* (1956), *Newsprint Trends* (1954) and *The Daily Press* (1953).

Wherever possible this information was checked and brought up-to-date by inquiries through Canadian Embassies abroad. In addition, reference was had to the evidence submitted to this Commission by: Agence Canadienne Hachette Ltée., The Benjamin News Company, Gordon & Gotch (Canada) Limited, and The Reader's Digest Association (Canada) Ltd.

The last submission provided the circulations per issue as at July, 1960, for all editions of the *Reader's Digest*. The circulations per issue for the "international" magazines are drawn from Number 9 of volume 42 of *Standard Rate and Data* (Consumer Magazines and Farm Publications) for September, 1960.

The information contained in Part II of this survey is drawn largely from: Survey A-2, the Royal Commission on Publications (1961); *World Communications: Press/Radio/Film/Television*, UNESCO (1956); and *Legislation for Press, Film and Radio*, UNESCO (1951).

REPORT OF TECHNOLOGICAL DEVELOPMENTS

Canada, with its comparatively small population, widely scattered, presents the Canadian publication printer with a future which differs markedly from that of his counterpart in the United States or Britain. For example, where the British printer thinks automatically in terms of photogravure production for his top-circulation magazines, the Canadian must live with smaller circulations and has therefore founded and developed his business on the basis of (for his needs) a more economical process—letterpress, either webfed or sheetfed.

Apart from the few weekend periodicals, like *Weekend*, *Perspectives* and *Star Weekly*, photogravure in Canada is limited to the printing of mail order catalogues and the like, and is consequently a minor part of the industry. In the foreseeable future, Canada is not likely to have the upsurge of potential publication readership nor the necessary numbers of skilled gravure printers to justify any marked growth in this section of the industry, which would affect the overall picture of magazine printing.

Most likely effects will be felt from current and potential developments in letterpress and offset lithographic printing. The latter has been in the last 10 years (and promises to remain for a long time) Canada's fastest-growing printing process.

LETTERPRESS PRODUCTION OF MAGAZINES

The three main methods of letterpress printing are:

1. Sheetfed flatbed
2. Sheetfed rotary
3. Webfed rotary

The letterpress process, when compared with offset lithography or gravure, usually involves an additional time and cost factor in the makeready of the type form for the press (or duplicate printing plate). Offset plate-making and gravure cylinder etching also involve extra costs but these are absorbed by the speed of the processes on long publication runs. In Britain, for instance, gravure is the obvious process for mass circulation magazines with runs of more than 1,000,000 copies. Web offset printing (discussed later) might prove more economical than rotary letterpress when circulation figures grow large enough to justify both the process and the purchase of new machines.

LETTERPRESS PLATE PRODUCTION—ORIGINAL PLATES, HALFTONE AND LINE

Powderless etching, a high-speed, semi-automatic method of engraving, which has also effected time and cost economies in newspaper production, produces plates that are suitable for both flatbed and rotary letterpress printing. Several machines are now available, which, by means of special etching solutions, enable the operator to etch deep without undercutting the image areas. It is possible to engrave a combined line and halftone plate in seven minutes.

Electronic engraving dispenses with the photomechanical preparation of plates, producing relief printing plates etched to depths that are comparable with those obtained by traditional processes of engraving.

A suitable range of screen sizes is available. Within the range of machines for electronic engraving, provision is made for producing line plates as well as halftones, color-separated plates for process color printing, and enlargement and reduction in size as compared with the original copy.

Printing plates made from photosensitive materials: Photopolymer (Dycril, by Du Pont de Nemours, U.S.A.) is a light-sensitive plastic bonded to a metal support, either rigid or flexible. The plastic hardens on exposure to ultra-violet light, and by exposing the plate behind a negative, relief printing areas are obtained which will withstand fairly long production runs. This and other photosensitive plates are favorite contenders for use on the new "wrap-around" letterpress presses (discussed later). Quality combination plates of halftone, line and text can be produced. It is quite expensive but mass production and acceptance may reduce its cost.

Colloplate is prepared in a similar manner and gives similar results. Like photopolymer, it can also be used for preparing halftone cuts for use in flatbed letterpress forms.

Film Klische is suitable for the production of halftone plates, using a hardened gelatine base as the printing surface. The actual engraving process (like that for the Time-Life Nylon plate and the German Fogra plate, made from Perlon) requires the use of alcohol, whereas both Photopolymer and Colloplate use merely warm water, or at most, a weak alkaline solution. The Time-Life plate will reproduce combination halftone and line, but Fogra is suitable only for halftone, and Film Klische has not been proven suitable for line or colour work.

DUPLICATE PLATES

Electrotyping has seen two important advances in the production of curved electros for rotary letterpress: centrifugal casting of the backing metal; and the use of plastics laminated to the electrotyped shell—Electroplastic plates. Electrotypes give the highest quality reproduction afforded by duplicate plates, and are vital to the quality production of rotary-letterpress-printed magazines, as well as a large proportion of the advertising pages carried by flatbed-printed magazines.

Stereotyping has seen a lot of development in the production of satisfactory rubber or plastic plates as well as metal stereotype. For book printing, this method of reproduction is gaining momentum in Britain where halftone illustrations up to 133 line screen have been successfully reproduced without makeready on the press. Problems of positioning and adhesion of plates have been overcome with magnetic cylinders and rubber stereos impregnated with iron particles.

(Where newspapers are concerned, there has been little basic change in stereotyping. Mechanical refinements and improvements in raw materials have brought some time-saving, which represents little gain in the total printing-distribution time.)

LETTERPRESS PRINTING PRESSES

1. Flatbed: Tendency has been to increase the running speed of the press and to use smaller sheet sizes. However, machines capable of 4,000 impressions per hour, with a sheet size of 25 x 40 in. have been produced in Germany and Britain.

It seems that press makers are reaching the limit of machine design and performance possible with conventional printing forms, and although most high-quality work for small circulation multicolour magazines is still being produced on flatbed presses, it is obvious that for larger circulation magazines, faster and more economic printing methods are needed. This need has led to research into a suitable flexible plate (e.g. photopolymer) that can be wrapped around a cylinder and so give smaller letterpress presses some of the advantages of larger rotaries (and to some extent, of the smaller offset presses).

2. Sheetfed rotary: This type of press falls into two general categories:

(a) Large, multi-unit presses taking sheet sizes up to 76 x 52 in., using rigid curved metal plates or plastic stereotypes, with speeds around 5,500 to 6,500 impressions per hour.

(b) "Wrap-around" presses, designed to take flexible plates (rubber, plastic, photopolymer, metal) wrapped around a cylinder, with sheet sizes from 21 x 15 in. to 30 x 40 in., and speeds from 6,500 to 10,000 iph. Aimed at providing an economic solution to shorter-run production, their eventual success depends on the development of a satisfactory flexible letterpress plate. Two such machines (Harris and Miehle) are awaiting the plate research outcome, while Heidelberg have recently devised a wrap-around conversion unit for their presses.

3. Webfed rotary: There is a wide range of this type of press available, often made to individual specifications, and to incorporate any development assisting specialized printing.

Main problems in general letterpress printing are: the need for a suitable plate for rotary printing, discussed above; and the elimination of makeready. Mechanically produced overlays, such as the 3M system, have helped towards this end and have increased the productivity of flatbed presses. But, for speed, the industry is looking to rotary press developments—and the Canadian industry is learning from the experience of U.S. printers in particular.

NEWSPAPER PRINTING AND PRODUCTION

Developments in newspaper presses have been largely confined to improving the inking and impression systems, attachment of plates in position, and provision of colour units. Machine speeds are around a maximum of 30,000 cylinder revolutions an hour, but this speed is rarely attained in production. It seems that improvements in press design are needed before increased output can be realized.

Time-saving devices, like automatic web splicing and improved web control, have done much to increase production and alleviate some of the difficulties in colour printing.

COLOUR PRINTING

Colour has made perhaps the biggest and most significant impact on Canadian newspapers, both in advertising (where the dailies, and even the weeklies, can meet the challenge of other media) and editorially—in headlines and line work and, in some instances, in the effective colour reproduction of news photographs.

Colour can be printed in newspapers in the following ways:

(a) In the process of printing the paper, as—

(i) One or more colours on headlines or emphasized patches, without precise register or superimposition.

- (ii) Line illustrations in one, two or three colours, in register and superimposed.
- (iii) Three or four colour halftone printing for advertising.
- (iv) Three or four colour halftone printing for news items.
- (b) By combining two printing processes.
 - (i) Simultaneous printing by
 - Letterpress/photogravure
 - Letterpress/offset
 - Letterpress/flexography
 - (ii) Pre-printing and re-reeling in photogravure, offset or aniline, introducing the reels into the newspaper production press at the time of printing.

Category (a) is governed by:

- paper quality,
- limitations of screen ruling to 65 lines/inch on newsprint,
- penetration drying of inks,
- production of stereo plates in register,
- reduction of press speeds when running register work, and
- increased paper spoilage.

Most successful form of colour printing by letterpress is the ROP (run of paper) method, favoured in Canada and the United States, which accepts a degraded form of printed colour reproduction, using three colours produced by a simplified three-colour photographic process. Plate-making time is cut to a minimum. It has been taken a step further by the supply of matrices for colour stereos from a central source for either advertising or editorial use.

An alternative method used in Britain makes use of the Klischograph electronic engraving machine to produce 120 line screen colour-separated plates. Proofed on art paper in black, and double-enlarged to make screened negatives of 60 line screen, they can be printed on metal and fast-etched. Normal stereotyping methods are then used.

Better methods of colour printing by letterpress for newspapers will require press design improvements, such as easier, more accurate adjustments for plate registration, and faster drying of the superimposed colour.

Category (b), simultaneous printing, or pre-printed web, offers better technical prospects for quality colour reproduction. Pre-printed webs are being used in Canadian dailies (as are other interesting forms of pre-printed colour insert pages, such as aluminum foil and waxed paper) but, as far as the pre-printed side of the web is concerned, they are limited to advertising material or illustrations of no immediate topicality. Page-to-page registration is ignored.

Simultaneous printing would seem to offer better prospects to the weekly publisher than to the daily. The daily publisher has invested in letterpress installation; he is unlikely to have the facilities of other printing processes. But the weekly publisher, particularly in the future, is likely to have both letterpress and offset lithographic facilities in connection with his commercial printing operations.

Recent developments in colour separation, etc., are discussed later at greater length under the Offset Lithographic Printing heading.

FACSIMILE TRANSMISSION OF NEWSPAPER PAGES

An extension of the system of sending pictures by wire, used extensively by Canadian Press, this system is of high topical interest in Canada because of the

Toronto *Globe & Mail's* current investigation into the possibility of using the method to establish the country's first national newspaper (probably starting with simultaneous editions in Winnipeg, Edmonton and Vancouver, fed by wire from the Toronto office).

A British invention (but blocked from use in Britain by trade union objections), facsimile transmission is being used successfully by Japanese publishers to transmit a complete newspaper from its Tokyo headquarters for reproduction in other Japanese cities up to 850 miles away. It is obviously a practical possibility, and the Bell Telephone Company of Canada has promised the *Globe* full transmission facilities, but the ultimate decision to go ahead will be based on exhaustive research into economic considerations.

The *Globe* is likely to print its national editions by rotary letterpress but the Japanese have made greater strides using web-offset.

COMPOSING DEVELOPMENTS (also applicable to publication production)

Mechanical line composition: Recent developments have boosted production speeds on Linotype and Intertype machines from an average (for normal newspaper column width) of 360 lines an hour to 600-700 lines an hour. One development which enables the operator to maintain this speed is the Teletypesetter (TTS), a mechanical control using punched tape. Because this can be remote-controlled from a central news agency, it is of great significance in newspaper production, but it is also of importance in general publication printing where it can be used to avoid bottlenecks on production of complex setting (for, say, directory work) and for easy storage. A punched tape requires far less storage space than galleys of type, ties up less money.

An even more recent development is the Teletypesetter allotter system which keeps TTS-equipped linecasting machines supplied with perforated tape at all times.

Photocomposition: Most suited for use with the offset lithographic printing process, the five photocomposition systems available in North America are alike in relation to their end result—a "galley" of text set photographically on film, which can then be transferred to a plate for printing.

Because rotary-letterpress-printed newspapers cast their stereo plates directly from forms of metal type, photocomposition obviously adds a step to this kind of production. In offset lithography, however, it saves a step because metal type has to be transferred to film before the offset plate can be made.

Photocomposition is being used successfully in Europe for book printing, but even for publication printing in Canada, its development would require a major switch to offset lithographic printing to make it truly economical.

OFFSET LITHOGRAPHIC PRINTING

Offset Lithography is Canada's fastest-growing printing process. More and more commercial printers are either switching from letterpress to offset, or setting up combination process plants. Weekly newspapers are also exploiting offset's lower capital investments costs. In the past year, 34 Canadian weeklies (a coast-to-coast estimate) have changed from letterpress to offset production.

Where publication printing is concerned, publishers and printers are showing marked interest in webfed offset presses particularly. They are keeping a close watch on developments in the larger publication plants of the United States.

So far in Canada, web offset (apart from scattered installations of smaller web presses for weekly newspaper production) is seeing most use in the production of telephone directories and similar material. Sheetfed offset has made some small

progress into the consumer, ethnic and business magazine field. A great many house organs and industrial papers are printed by offset.

One important boost to offset printing is the growth of photocomposition, although many offset printer still make their plates from good quality type proofs on paper. And direct photography (the Brightype process in North America) offers high quality and some time-saving through its method of photographing a sharp film image of the highly polished metal type surface of a galley, page or form. Very few of these installations are to be found in Canada at present; they are all in trade typesetting plants rather than printing plants.

COLOUR REPRODUCTION

The quality of colour printing by offset (and much of the following can be applied to letterpress colour work) has been helped first by developments in good colour photographic originals; second in the development of better inks; third in the improvements in offset papers.

Camera colour correction (three-colour): This is demanding more and more a scientific approach on the part of the operator. It has reached a high standard, but future developments promise to be slow and largely dependent upon a greater understanding of photography, screens and inks. Electronics may well provide a lot of the answers.

Electronic colour scanners: Like photocomposition, the scanner (for colour correction and separation of artwork and film transparencies) is firmly established in the printing industry, with further developments to come. However, it has not been established that its introduction will have an economic advantage over existing methods of camera processing. This is because specialized houses, using camera techniques, have attained a high degree of efficiency.

Introduction of colour scanners has been slow in Canada. To date, only two types are available: the Vario Klischograph, at a commercial engraving house; and the Scanatron, soon to be installed by the *Toronto Daily Star* for use on the *Star Weekly*.

LITHOGRAPHIC PLATES

One of the big advantages of sheetfed and webfed offset printing is the ease with which perfect register of colours can be obtained at the platemaking stage. The main developments in this field are concerned with reinforcing the quality of the non-printing areas of the plate, and increasing the life and quality of the printing area.

Chromium/copper combinations have proved successful in this respect, and tri-metal plates (chrome, copper and stainless steel) though more expensive than others, and requiring more care in their making, have extra reliability and are attractive to lithographers wherever the length of run justifies their use.

Anodic plates (aluminum) are ideal for high quality work, of 300 line screen, for long runs.

Presensitized plates (a development of surface plates, used chiefly for commercial work) have been refined to the point where they are suitable for magazine and newspaper work. Their printing life, however, is limited.

Offset plates which can be used several times and have a wipe-on coating have been developed in the U.S.A. They are economically attractive for offset newspaper printing which requires a considerable number of plates per edition.

WEBFED OFFSET PRESSES

In the United States about 1,000 web offset presses are in operation; installations are being made at the rate of 180 presses a year. Their range of uses includes weekly newspapers, magazines, books, telephone directories, catalogues, encyclopedias and general advertising matter (both the direct mail type and magazine inserts).

For smaller circulation newspapers requiring a fairly small number of duplicate plates, it seems reasonable to suggest that webfed offset can present a successful alternative to rotary letterpress. Such newspapers could produce good colour by web offset, and with the use of bi-metallic (chromium/copper) plates, under reasonable conditions, up to 500,000 impressions can be printed before fresh plates are needed.

Technical difficulties, such as register, are gradually being eliminated (on presses for all types of printing processes, register and web direction can now be controlled electronically), but paper requirements are more stringent than with letterpress or gravure. Printing speeds, even for high-quality colour work, range from 1,000 to 2,000 fpm,* the latter being still in the design stage, following experiments in Britain. Speeds like 2,000 fpm* put the webfed press into favourable competition with the fastest heat-set letterpress rotary.

SHEETFED OFFSET PRESSES

The single-colour sheetfed offset press has done much for the weekly newspaper industry in Canada, particularly for the tabloid-size eight-page paper serving a small local community. With the growth of population in these smaller areas, and the subsequent move to twice-weekly, three-times-weekly, and (by no means improbable) daily publication, it seems likely that the publishers of these papers will be able to cash in on the coming developments and switch to web offset production. Discussions with publishers in such areas in this respect show equal parts of wishful and practical thinking.

Where magazine publishers are exploring the practical possibilities of sheetfed offset, they will be able to make use of striking developments in improved paper surface and ink performance, skilled methods of colour correction, versatile camera equipment and electronic scanners, practical conversion from type to film, a wide price range of reliable plates, the ease of obtaining good colour register, and precision presses with improved ancillary equipment, such as dampening systems, static electricity eliminators, drying equipment, ink agitators which give constant colour value throughout the run, and vacuum brush cleaning of the paper stock.

Because some magazine publishers in Canada own their own letterpress plants, the switch to the (perhaps) more economical offset lithographic means of reproduction is revolutionary and costly. Such a change would require use of outside commercial plants or an assured future for the publications to make such an outlay on capital equipment feasible.

MISCELLANEOUS DEVELOPMENTS

It must not be forgotten that quality printing of any article requires good paper stock and good ink. The papermakers are constantly developing new grades of paper designed to improve specific printing applications. There is now a move by

* Feet per minute.

at least one Canadian paper house to interest printers in the use of coloured paper stock for use even with process colour reproduction. Carefully used, this development could start a new era in insert advertising, to the eventual profit of magazine and newspaper publishers.

In the field of inkmaking, fluorescent pigments (once the sole preserve of the screen process printer, now available for certain uses in letterpress and offset printing) are adding new zest to advertising pages, and even editorial pages. As these developments are refined their use is certain to increase.

Unfortunately, production of high-grade coated papers in Canada is expensive and still far behind the demand, so that a leading paper-producing country like Canada, still has to import much of its fine papers. This makes the use of fine coated stocks in Canadian magazines an expensive business, and one not ventured into frequently.

(Compiled for the Commission by Messrs. G. F. Buckler, K. N. Hoare and A. F. Waters of the Printing, Packaging & Allied Trades Research Association, Leatherhead, England. Their report has been written in a personal capacity and does not necessarily reflect the views of the Association.)

CUSTOMS TARIFF ITEMS

TARIFF ITEM 170

Books, periodicals and pamphlets, or parts thereof, printed, bound, unbound, or in sheets (not to include blank account books, copy books or books to be written or drawn upon) in any other than the English language...

British Preferential Tariff	—Free
Most-Favoured-Nation Tariff	—Free
General Tariff	—Free

TARIFF ITEM 171

Books, printed, periodicals and pamphlets, or parts thereof, not otherwise provided for, not to include blank account books, copy books, or books to be written or drawn upon...

British Preferential Tariff	—Free
Most-Favoured-Nation Tariff	—10%
General Tariff	—10%

TARIFF ITEM 178

Advertising and printed matter, viz:—Advertising pamphlets, advertising show cards, illustrated advertising periodicals; price books, catalogues and price lists; advertising almanacs and calendars; patent medicine or other advertising circulars, fly sheets or pamphlets; advertising chromos, chromotypes, oleographs or like work produced by any process other than hand painting or drawing, and having any advertisement or advertising matter printed, lithographed or stamped thereon, or attached thereto, including advertising bills, folders and posters, or other similar artistic work, lithographed, printed or stamped on paper or cardboard for business or advertisement purposes, not otherwise provided for...

British Preferential Tariff	— 5 cts. per pound
Most-Favoured-Nation Tariff	—10 cts. per pound (but not less than 25%)
General Tariff	—15 cts. per pound (but not less than 35%)

Goods specified in this item shall be exempt from customs duty when produced in countries entitled to the British Preferential Tariff and relating exclusively to products or services of such British countries, but not relating to Canadian products or services.

On goods specified in this item when forwarded to Canada by mail, duties may be prepaid by customs duty stamps, under regulations by the Minister, at the rate specified in the item, except that on each separate package weighing not more than one ounce, the duty shall be each...

British Preferential Tariff	—1 ct.
Most-Favoured-Nation Tariff	—2 cts.
General Tariff	—2 cts.

Bona fide trade catalogues and price lists not specially designed to advertise the sale of goods by any person in Canada, when sent into Canada in single copies addressed to merchants therein, and not exceeding one copy to any merchant for his own use, but not for distribution, shall be exempt from customs duty under all Tariffs.

Advertising and printed matter, whether imported by mail or otherwise, when in individual packages valued at not more than \$1.00 each and when not imported for sale or in a manner designed to evade payment of customs duties, shall be exempt from customs duty when produced in countries entitled to the British Preferential or the Most-Favoured-Nation Tariff.

TARIFF ITEM 184A

Periodical publications, unbound or paper bound, printed and issued at regular intervals, not less frequently than four times a year, and bearing dates of issue . . .

British Preferential Tariff	—Free
Most-Favoured-Nation Tariff	—Free
General Tariff	—25%

TARIFF ITEM 1218

Used or second-hand periodical publications:

This item does not affect in any manner periodical publications:

- (a) sent, gratis, to Canada for charitable purposes;
- (b) sent to persons in Canada as casual donations by friends abroad;
- (c) imported for personal or for institutional use, and not for resale;
- (d) imported by or for paper mills for use as stock in the manufacture of paper.

STATISTICS

In the following tables it should be noted that:

(a) The task of compiling circulation statistics over a period of years is complicated by name changes, drop-outs, changes in frequency of issue, and a number of other factors. In the case of circulation data of business and farm publications the absence of sworn statements is another serious handicap.

(b) Although subscription and single copy circulation figures are for one specific issue during the year, general circulation figures in the tables are based on averages for the last six months of each year. Per annum circulation statistics are calculated by multiplying the average circulation by the frequency of publication. Consequently, where circulation was growing during the year, the per annum statistics will tend to be slightly overstated.

(c) The majority of Canadian A.B.C. magazine circulation figures refer to sales in Canada and not to total sales. However, the circulation of Canadian magazines outside of Canada is relatively small and would not significantly alter the growth rate as indicated in these tables.

(d) The one-time page rates for black and white and four colour advertisements were placed on a cost-per-thousand basis using the average net paid circulation for the last six months of each year. The rates chosen were those in effect during the whole or the major portion of the six month circulation period.

The Commission was considerably handicapped in its study of the situation of Canadian publications by the lack of official statistics on various aspects of the publishing industry and on total advertising expenditures in Canada. Overcoming this difficulty has involved considerable time and effort collecting circulation, advertising, financial and other related information.

Reports of the Dominion Bureau of Statistics on "The Printing Trades" include data on advertising and circulation revenues of all print media. The Commission found this information of considerable use but it was noted that these reports deal primarily with printing activities and do not provide certain essential data on the publishing industry as such.

To enable members of the publishing industry, government officials and the general public to more easily examine the state of periodicals and other print media in Canada in the future, it is suggested that the Dominion Bureau of Statistics compile separate statistics of the Canadian publishing industry on an annual basis. This information should be tabulated on a basis comparable with that now prepared on other communications media such as radio and television broadcasting stations. These reports should include financial statistics indicating the revenues and the various production, editorial, advertising and administrative costs; the circulation of the various print media as well as the quantity of foreign magazines and other periodicals imported into Canada.

Similarly, because of the importance of advertising to the economy and to the publishing industry in particular, it is also suggested that the Dominion Bureau of Statistics prepare annual estimates of total advertising expenditures.

It is hoped that some of the tables appearing in this report will form the basis for a regular statistical series on the Canadian publishing industry.

TABLE 1

PER ISSUE CIRCULATION IN CANADA
OF CANADIAN A.B.C. MAGAZINES,
READER'S DIGEST, TIME AND
U.S. A.B.C. MAGAZINES, 1950-1959

	Canadian Editions			Star Weekly and Weekend Magazine		
	Canadian A.B.C.	Reader's Digest ¹	Time		U.S. A.B.C.	Total
		A THOUSANDS OF COPIES				
1950	2,381	654	119	4,854	8,008	890
1951	2,322	743	130	5,390	8,585	1,743
1952	2,375	791	147	6,035	9,348	1,830
1953	2,370	787	156	6,337	9,650	1,932
1954	2,519	848	163	6,493	10,023	2,058
1955	2,551	856	168	6,858	10,433	2,207
1956	2,832	924	177	7,147	11,080	2,326
1957	2,992	960	187	6,737	10,876	2,378
1958	2,890	918	203	6,873	10,884	2,367
1959	2,833	969	210	6,844	10,856	2,739
B INDEX (1950 =100)						
1950	100.0	100.0	100.0	100.0	100.0	100.0
1951	97.5	113.6	109.2	111.0	107.2	195.8
1952	99.7	120.9	123.5	124.3	116.7	205.6
1953	99.5	120.3	131.1	130.6	120.5	217.1
1954	105.8	129.7	137.0	133.8	125.2	231.2
1955	107.1	130.9	141.2	141.3	130.3	248.0
1956	118.9	141.3	148.7	147.2	138.4	261.3
1957	125.7	146.8	157.1	138.8	135.8	267.2
1958	121.4	140.4	170.6	141.6	135.9	266.0
1959	119.0	148.2	176.5	141.0	135.6	307.8
C PERCENT OF TOTAL						
1950	29.7	8.2	1.5	60.6	100.0	
1951	27.0	8.7	1.5	62.8	100.0	
1952	25.4	8.5	1.6	64.6	100.0	
1953	24.6	8.2	1.6	65.7	100.0	
1954	25.1	8.5	1.6	64.8	100.0	
1955	24.5	8.2	1.6	65.7	100.0	
1956	25.6	8.3	1.6	64.5	100.0	
1957	27.5	8.8	1.7	61.9	100.0	
1958	26.6	8.4	1.9	63.1	100.0	
1959	26.1	8.9	1.9	63.0	100.0	

¹ Includes English and French editions.
Source: A.B.C. Publisher's Statements

TABLE 2

A Thousands of copies

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Canadian Homes & Gardens	616	708	931	947	1,328	1,523	1,540	1,498	1,508	1,541
Canadian Home Journal	4,300	4,353	4,482	4,756	4,754	4,755	5,211	6,002	3,090	—
Chatelaine	4,492	4,507	4,480	4,698	4,770	4,686	5,006	4,980	6,764	8,770
Liberty	4,934	4,975	4,917	4,812	4,866	5,445	6,080	6,516	6,718	7,023
Maclean's Magazine	9,698	9,817	9,900	10,274	10,432	11,871	12,884	13,981	13,982	12,702
Mayfair	192	197	197	198	233	241	228	181	99	—
Revue Moderne, La	1,215	1,238	1,197	1,144	1,173	1,165	1,184	1,226	1,213	1,237
Revue Populaire, La	885	968	1,025	999	968	941	988	1,007	1,147	1,251
Samedi, Le	3,661	3,737	3,807	3,886	3,805	3,729	3,862	3,951	4,011	2,329
Saturday Night	2,800	2,923	3,156	3,021	1,535	1,734	2,001	1,990	1,936	1,999
TOTAL—SELECTED CANADIAN MAGAZINES	32,793	33,423	34,092	34,735	33,864	36,090	38,984	41,332	40,468	36,852
Reader's Digest (Combined) Time	7,843	8,915	9,491	9,443	10,177	10,268	11,083	11,522	11,020	11,625
	6,182	6,915	7,661	8,136	8,478	8,747	9,363	9,748	10,550	10,946
GRAND TOTAL	46,818	49,253	51,244	52,314	52,519	55,105	59,430	62,602	62,038	59,423

B Index (1950=100)

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Canadian Homes & Gardens	100.0	114.9	151.1	153.7	215.6	247.2	250.0	243.2	244.8	250.2
Canadian Home Journal	100.0	101.2	104.2	110.6	110.6	110.6	121.2	139.6	71.9	—
Chatelaine	100.0	100.3	99.7	104.6	106.2	104.3	111.4	110.9	150.6	195.2
Liberty	100.0	100.8	99.7	97.5	98.6	110.4	123.2	132.1	136.2	142.3
Maclean's Magazine	100.0	101.2	102.1	105.9	107.6	122.4	132.9	144.2	144.2	131.0
Mayfair	100.0	102.6	102.6	103.1	121.4	125.5	118.7	94.3	51.6	—
Revue Moderne, La	100.0	102.6	98.5	94.2	96.5	95.9	97.4	100.9	99.8	101.8
Revue Populaire, La	100.0	109.4	115.8	112.9	109.4	106.3	111.6	113.8	129.6	141.4
Samedi, La	100.0	102.1	104.0	106.1	103.9	101.9	105.5	107.9	109.6	63.6
Saturday Night	100.0	104.4	112.7	107.9	54.8	61.9	71.5	71.1	69.1	71.4
TOTAL—SELECTED CANADIAN MAGAZINES	100.0	101.9	104.0	105.9	103.3	110.1	118.9	126.0	123.4	112.4
Reader's Digest (Combined) Time	100.0	113.7	121.0	120.4	129.8	130.9	141.3	146.9	140.5	148.2
	100.0	111.9	123.9	131.6	137.1	141.5	151.5	157.7	170.7	177.1
GRAND TOTAL	100.0	105.2	109.5	111.7	112.2	117.7	126.9	133.7	132.5	126.9

Source: Canadian Advertising

TABLE 3

PER ISSUE CIRCULATION OF SELECTED CANADIAN MAGAZINES AND READER'S DIGEST AND TIME IN CANADA, 1950-59

	A Thousands of copies									
	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Canadian Homes & Gardens	51	59	78	79	111	127	128	125	126	128
Canadian Home Journal	358	363	373	396	396	396	434	500	— ¹	—
Chatelaine	374	376	373	391	398	391	417	415	765	731
Liberty	411	415	410	401	406	454	507	543	560	585
Maclean's Magazine	404	409	412	428	435	457	496	538	538	489
Mayfair	16	16	16	17	19	20	19	15	8	—
Revue Moderne, La	101	103	100	95	98	97	99	102	101	103
Revue Populaire, La	74	81	85	83	81	78	82	84	96	104
Samedi, Le	70	72	73	75	73	72	74	76	77	78
Saturday Night	54	56	61	58	59	67	77	77	74	74
TOTAL SELECTED CANADIAN MAGAZINES	1,913	1,950	1,981	2,023	2,076	2,159	2,333	2,475	2,345	2,292
Reader's Digest (Combined) Time	654 119	743 130	791 147	787 156	848 163	856 168	924 177	960 187	918 203	969 210
GRAND TOTAL	2,686	2,823	2,919	2,966	3,087	3,183	3,434	3,622	3,466	3,471
B Index (1950=100)										
	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Canadian Homes & Gardens	100.0	115.7	152.9	154.9	217.6	249.0	251.0	245.1	247.1	251.0
Canadian Home Journal	100.0	101.4	104.2	110.6	110.6	110.6	121.2	139.7	— ¹	—
Chatelaine	100.0	100.5	99.7	104.5	106.4	104.5	111.5	111.0	204.5	195.5
Liberty	100.0	101.0	99.8	97.6	98.8	110.5	123.4	132.1	136.3	142.3
Maclean's Magazine	100.0	101.2	102.0	105.9	107.7	113.1	122.8	133.2	133.2	121.0
Mayfair	100.0	100.0	100.0	106.3	118.8	125.0	118.8	93.8	50.0	—
Revue Moderne, La	100.0	102.0	99.0	94.1	97.0	96.0	98.0	101.0	100.0	102.0
Revue Populaire, La	100.0	109.5	114.9	112.2	109.5	105.4	110.8	113.5	129.7	140.5
Samedi, Le	100.0	102.9	104.3	107.1	104.3	102.9	105.7	108.6	110.0	111.4
Saturday Night	100.0	103.7	113.0	107.4	109.3	124.1	142.6	142.6	137.0	137.0
TOTAL LEADING CANADIAN MAGAZINES	100.0	101.9	103.6	105.8	108.5	112.9	122.0	129.6	122.6	119.8
Reader's Digest (Combined) Time	100.0 100.0	113.6 109.2	120.9 123.5	120.3 131.1	129.7 137.0	130.9 141.2	141.3 148.7	146.8 157.1	140.4 170.6	148.2 176.5
GRAND TOTAL	100.0	105.1	108.7	110.4	114.9	118.5	127.8	134.8	129.0	129.2

Source: Canadian Advertising

¹ Since data are based on six months' average circulation for the period to December 31st. each year, no figures are shown for Canadian Home Journal, which ceased publication in June, 1958.

PER ANNUM CIRCULATION IN CANADA
OF CANADIAN A.B.C. MAGAZINES,
READER'S DIGEST, TIME
AND U.S. A.B.C. MAGAZINES, 1950-1959

	Canadian Editions			U.S. A.B.C.	Total	Star Weekly and Weekend Magazine
	Canadian A.B.C.	Reader's Digest ¹	Time			
A THOUSANDS OF COPIES						
1950	38,133	7,843	6,182	80,382	132,540	46,290
1951	39,188	8,915	6,915	88,079	143,097	59,006
1952	40,618	9,491	7,661	95,065	152,835	95,206
1953	39,964	9,443	8,136	102,532	160,075	100,469
1954	41,330	10,177	8,478	106,047	166,032	106,987
1955	42,868	10,268	8,747	111,315	173,198	114,769
1956	46,998	11,083	9,363	117,906	185,350	120,960
1957	49,256	11,522	9,748	114,093	184,619	123,669
1958	48,928	11,020	10,550	118,432	188,930	123,084
1959	44,911	11,625	10,946	124,997	192,479	142,451
B INDEX (1950 =100)						
1950	100.0	100.0	100.0	100.0	100.0	100.0
1951	102.8	113.7	111.9	109.6	108.0	127.5
1952	106.5	121.0	123.9	118.3	115.3	205.7
1953	104.8	120.4	131.6	127.6	120.8	217.0
1954	108.4	129.8	137.1	131.9	125.3	231.1
1955	112.4	130.9	141.5	138.5	130.7	247.9
1956	123.2	141.3	151.5	146.7	139.8	261.3
1957	129.2	146.9	157.7	141.9	139.3	267.2
1958	128.3	140.5	170.7	147.3	142.5	265.9
1959	117.8	148.2	177.1	155.5	145.2	307.7
C PERCENT OF TOTAL						
1950	28.8	5.9	4.7	60.6	100.0	
1951	27.4	6.2	4.8	61.6	100.0	
1952	26.6	6.2	5.0	62.2	100.0	
1953	25.0	5.9	5.1	64.1	100.0	
1954	24.9	6.1	5.1	63.9	100.0	
1955	24.8	5.9	5.1	64.3	100.0	
1956	25.4	6.0	5.1	63.6	100.0	
1957	26.7	6.2	5.3	61.8	100.0	
1958	25.9	5.8	5.6	62.7	100.0	
1959	23.3	6.0	5.7	64.9	100.0	
D PER 100 ADULTS :						
1950	396	81	64	835	1,377	
1951	402	91	71	903	1,466	
1952	406	95	77	950	1,527	
1953	391	92	80	1,004	1,567	
1954	395	97	81	1,015	1,588	
1955	402	96	82	1,044	1,625	
1956	433	102	86	1,086	1,707	
1957	442	103	87	1,022	1,654	
1958	430	97	93	1,040	1,659	
1959	386	100	94	1,076	1,656	

¹ Includes English and French editions.
Source : A.B.C. Publisher's Statements.
² An adult is defined as a person 15 years
or over.

TABLE 4

SUBSCRIPTION CIRCULATION AS A PERCENTAGE OF TOTAL CIRCULATION OF SELECTED CANADIAN MAGAZINES, 1950-1959

Magazines	1950 %	1951 %	1952 %	1953 %	1954 %	1955 %	1956 %	1957 %	1958 %	1959 %	10 Year Average %
Canadian Homes & Gardens	81.0	84.9	83.5	82.3	89.1	91.5	89.6	88.3	87.8	89.0	87.6
Canadian Home Journal	95.9	95.7	94.3	92.9	95.7	94.8	88.0	90.0	89.5 ¹	—	92.7
Chatelaine	95.9	93.5	94.6	95.4	95.0	94.0	93.8	94.1	95.1	94.3	94.6
Liberty	65.2	64.9	65.4	66.7	71.8	70.0	69.9	71.6	72.5	73.6	69.5
Maclean's Magazine	92.3	91.4	91.9	91.5	91.3	92.3	92.9	93.7	93.7	93.4	92.5
Mayfair	84.6	85.1	78.8	84.2	84.7	87.1	87.4	88.0	88.0	93.5	85.6
Revue Moderne, La	77.8	78.0	73.1	70.1	69.0	68.4	69.8	71.8	72.3	70.3	72.1
Revue Populaire, La	50.9	54.7	59.8	60.7	61.4	60.1	58.5	58.2	63.1	62.2	59.8
Samedi, Le	33.1	33.2	32.7	34.0	34.6	35.5	37.7	37.7	38.1	36.2	35.3
Saturday Night	92.0	91.9	93.3	93.0	92.6	94.0	93.9	94.3	94.8	94.5	93.5
TOTAL	82.8	82.3	82.4	82.8	84.6	84.2	83.0	84.1	85.7	84.1	83.7

Source: Canadian Advertising
¹ Based on first five months of 1958.

**BIRTHS & DEATHS OF CANADIAN MAGAZINES,
BY DECADE, 1920-1960**

1920-1929

**Commenced Publication
(or in existence)**

Actualité (changed from Ma Paroisse in 1920)	Farmer's Advocate
Atlantic Advocate	Farmer's Magazine
B.C. Monthly (changed from Westminster Hall in 1927)	Free Press Weekly Prairie Farmer
Beaver	Goblin
Boating (became Leisure Magazine in 1952 and changed to Boating again in 1953)	Golf (changed to Canadian Golfer in 1933)
Bonnes Soirées	Gossip
Book Parlance	Home, The
Bulletin des Agriculteurs	Home Building in Canada
Business Woman, The	International Forum Review
Cahiers de Turc	Jardin des Muses Canadiennes
Canada Français	Jewish Standard
Canada Musical	Khaki Call
Canada News	L'Action Paroissiale
Canadian Author and Bookman	L'Apôtre
Canadian Boating	Legionary, The
Canadian Child	Lyre
Canadian Courier	Maclean's
Canadian Forest and Outdoors	Maritime Farmer and Co-operative
Canadian Forum	Dairyman
Canadian High News	Mayfair
Canadian Homes and Gardens	Mirror, The
Canadian Home Journal	Modern Farmer
Canadian Horticulturist	Mon Magazine
Canadian Illustrated Monthly	Montrealer
Canadian Jewish Chronicle	Musical Canada
Canadian Jewish Review	Musical Life and Arts
Canadian Magazine	Musicanada
Canadian Mercury	Musique
Canadian Motorist	New Outlook
Canadian National Magazine Keeping Track	Nor'West Farmer
Canadian National Railways Magazine	Opinions
Canadian Passing Show	Quill
Canadian Sportsman	Revue Canadienne
Canadian Sports Monthly	Revue de Manon
Canadian Stories	Revue du Foyer
Canadian War Stories	Revue Moderne, La
Canadienne	Revue Populaire, La
Carillon	Rod and Gun in Canada (Forest and Outdoors in U.S.A.)
Chatelaine	Samedi, Le
Country Guide, The (known as Grain Growers Guide until 1928)	Saturday Night
Current Events	Terroir
Dogs in Canada	Torch
Echoes	Tout Partout
Everywoman's World	Vie Canadienne, La
Family Herald	Vie Drôle
Farm and Home	Voix Nationale, La
Farm and Ranch Review	Western Home Monthly (changed to National Home Monthly in 1933)
	Western Producer
	Western Woman and Rural Home
	Willison's

1920-1929

Ceased Publication

Book Parlance
Cahiers de Turc
Canada News
Canadian Courier
Canadian Illustrated Monthly
Canadian Mercury
Canadian Stories
Canadienne
Carillon
Everywoman's World
International Forum Review
Jardins des Muses Canadiennes

Musical Life and Arts
Musicanada
Musique
New Outlook
Quill
Revue Canadienne
Torch
Vie Canadienne, La
Western Woman and Rural Home
Willison's (absorbed by Canadian Forum
in 1929)
Worldwide

1930-1939

Commenced Publication

Acadie
Angler and Hunter (changed from Western
Angler and Hunter in 1938)
Animal Life
Anvil
Aujourd'hui
B.C. Argonaut
Beacon
Beau
Bluenose
Bridle and Golfer
Business and Professional Woman
Canada Downtown
Canada Qui Chante
Canadian Audobon
Canadian Cavalcade
Canadian Comment
Canadian Defence Gazette
Canadian Geographical Journal
Canadian Horticulture and Home
(changed to Your Garden and Home in
1947)
Canadian Jewish Magazine
Canadian Lawn Tennis and Badminton
Canadian Poetry Magazine
Canadian Stage, Screen and Studio
Canadian Thinker
Canadian Veteran
Carnets
Chatter
Collector's Magazine, The
Contact (Bilingual)
Courrier du Cinéma, Le
Cricket
Digeste Français, Le
Dimanche Illustre
Emerillon
Family Magazine
Ferme, La

Film, Le
Foyer Canadien
Garden Beautiful, The
Gold
Health
Hunting and Fishing in Canada
Idées
Individual Thinker
Knitting and Homecraft
Les Affaires
Liberty
Loisirs
Magazine Digest (moved to USA in 1948)
Masses
Mediaeval Studies
Music and the Arts
New Age
New Commonwealth
New Frontier
New Magazine
Nos Cahiers (changed to Culture in 1940)
Petite Revue, La (started in 1931 – stopped
in 1936) (started again in 1939 – stopped
in 1953)
Photo-Journal
Radio Guide
Radiomonde and Télémonde
Relève (became Nouvelle Relève in 1943)
Revue des Livres, Arts et lettres
Romain Canadienne, Le
Sea Lore
Small Homes
Sports Publications
Thoro'Bred Sports Review
Tomahawk
Twentieth Century
Western Angler and Hunter (changed to
Angler and Hunter in 1938)
Witness and Canadian Homestead

Ceased Publication

Acadie
Angler and Hunter
Animal Life

Anvil
B.C. Argonaut
B.C. Monthly

Beacon
 Beaver
 Bluenose
 Business Woman, The
 Canada Downtown
 Canada Musical
 Canada Qui Chante
 Canadian Cavalcade
 Canadian Child
 Canadian Comment
 Canadian Defence Gazette
 Canadian Horticulturist
 Canadian Magazine
 Canadian Passing Show (merged with
 Montrealer in 1936)
 Canadian Stage, Screen and Studio
 Canadian Thinker
 Canadian War Stories
 Carnets
 Collector's Magazine, The
 Contact (Bilingual)
 Cricket
 Dimanche Illustre
 Emerillon
 Family Magazine
 Farm and Home (absorbed by Country
 Guide in 1938)
 Foyer Canadien
 Garden Beautiful The
 Goblin
 Home, The

Idées
 Individual Thinker
 Khaki Call
 Knitting and Homecraft
 L'Apôtre
 Loisirs
 Lyre
 Masses
 Mirror, The
 Mon Magazine
 Music and the Arts
 Musical Canada
 New Frontier
 New Magazine
 Opinions
 Passing Show
 Petite Revue, La
 Radio Guide
 Revue du Foyer
 Revue des Livres, Arts et lettres
 Revue de Manon
 Romain Canadienne, Le
 Sea Lore
 Thoro'Bred Sports Review
 Tomahawk
 Tout Partout
 Twentieth Century
 Vie Drôle
 Witness and Canadian Homestead
 Worldwide

1940-1949

Commenced Publication

Adlib
 Applause
 Baby News
 Belle Maison, La
 British Columbia Digest (changed from
 Northwest Digest in 1948)
 Cahiers des Compagnons
 Canada News Digest
 Canadiana
 Canadian Air Cadet
 Canadian Art (changed from Maritime
 Art in 1943)
 Canadian Digest
 Canadian Hobbycraft Magazine (changed
 to Canadian Home and Hobbycraft in
 1950)
 Canadian Horse and Thoroughbred
 (changed to Thoroughbred of Canada in
 1956)
 Canadian Life
 Canadian Military Journal
 Canadian Modern Language Review
 Canadian Music
 Canadian Show News
 Canadian Spokesman
 Canadian Sports Monthly (combined from
 Canadian Golfer and Canadian Lawn,
 Tennis & Badminton in 1943)
 Canadian Sports Digest
 Canadians All
 Can Can

Chasse et Pêche
 Cinémonde
 Courrier du Cinéma, Le (called Le
 Magasin du Cinéma 1942-1948)
 Culture (changed from Nos Cahiers in
 1940)
 Curtain Call
 Détente, La
 Dial
 Direction
 Empire Digest
 Encyclopedique Mensuelle
 Evolution (changed to Comprehension in
 1950)
 Famille, La
 Fashion
 First Statement (combined with Preview
 to form Northern Review in 1945)
 Fish and Game
 Game Trails in Canada
 Gants du Ciel
 Hoof Prints
 Intermission
 Jovette
 Lectures
 Liaison
 Maple Leaf Magazine Comic Group
 Military Gazette
 Modern Home
 Modes
 National Digest, The (formerly Roll Call)

New Advance
 New World (Nouveau Monde (FR) absorbed by Liberty in 1948)
 New World Illustrated
 News
 Northern Review (First Statement combined with Preview)
 Northern Sportsman
 Oeil
 Outdoor Canada (combined with Northern Sportsman 1950-1960)
 Parnassus
 Passe-Temps, Le
 Paysanna
 Photo-Ciné-Radio
 Pour Vous Madame
 Preview (combined with First Statement to form Northern Review in 1945)
 Prom
 Qui
 Radio-Television

Radio Vision
 Radio World
 Reading
 Reason
 Regards
 Relations
 Rendezvous
 Sport et Loisir
 Sport Illustré, Le
 Suburban Life
 Teen'N Twenties
 Tic Toc
 Today
 Veteran's Advocate, The
 Votre Maison
 Western Digest
 Wiltons Review
 Your World
 Youth
 Young Folks

1940-1949

Ceased Publication

Adlib
 Applause
 Baby News
 Beau
 Belle Maison, La
 Bridle and Golfer
 Cahiers des Compagnons
 Canada Français
 Canada News Digest
 Canadian Air Cadet
 Canadian Digest
 Canadian Golfer (absorbed by Canadian Sports Monthly in 1944)
 Canadian Lawn, Tennis and Badminton (combined with Canadian Golfer in 1943 to make Canadian Sports Monthly)
 Canadian Modern Language Review
 Canadian Music
 Canadian Show News
 Canadian Spokesman
 Canadian Sports Digest
 Canadian Veteran
 Canadians All
 Can Can
 Chatter
 Cinémonde
 Curtain Call
 Dial
 Direction
 Empire Digest
 Encyclopedique Mensuel
 First Statement
 Gants du Ciel
 Gold
 Intermission
 Jovette
 Les Affaires
 Liaison

Magazine Digest (moved to USA in 1948)
 Maple Leaf Magazine Comic Group
 Modern Home
 New Advance
 New Age
 New Commonwealth
 New World (absorbed by Liberty in 1948)
 New World Illustrated
 News
 Northern Review
 Nouvelle Relève (changed from Relève in 1943)
 Oeil
 Parnassus
 Photo-Ciné-Radio
 Photo-Journal
 Pour Vous Madame
 Preview (combined with First Statement to form Northern Review in 1945)
 Prom
 Qui
 Radio Vision
 Radio World
 Reading
 Reason
 Regards
 Sports Publications
 Suburban Life
 Teen 'N Twenties
 Terroir
 Tic Toc
 Today
 Western Digest
 Wilton's Review
 Your World
 Youth
 Young Folks

1950-1959

Commenced Publication

Activités Dirigées	Music World
Canada Track and Traffic	Photo Fun (Bilingual)
Canadian Autocar and Trailer	Pin
Canadian Commentator	Points de Vue
Canadian Countryman	Radio T.V. Guide
Canadian Photographer	Small Types
Canadian Photo News	Sports Illustrated
Canadian T.V. Guide	Sports Revue
Canadian Yachtsman	Trend
Caravan	T.V. Scoop
Ensign, The	T.V. Week
Gam on Yachting	Vocational and Opportunity
Hockey Pictorial	Western Homes and Living
Mes Enfants	Western Television
Mobilehomes and Trailers in Canada	World Travel

Ceased Publication

Aujourd'hui	L'Action Paroissiale
Bonnes Soirées	Lectures
Canadiana	Mes Enfants
Canadian Autocar and Trailer	Military Gazette
Canadian Forest and Outdoors (merged with Rod and Gun in Canada)	Modes
Canadian Home and Hobbycraft	Music World
Canadian Home Journal	National Digest
Canadian Life	National Home Monthly
Canadian Photo News	Northern Sportsman (combined with Outdoor Canada)
Canadian T.V. Guide	Passe-Temps, Le
Canadian Yachtsman	Paysanna
Caravan	Petite Revue, La (started in 1931—stopped in 1936—started again in 1939—stopped in 1953)
Chasse et Pêche	Pin
Comprehension (successor to Evolution in 1950)	Points de Vue
Courrier du Cinéma, Le (called Le Magasin du Cinéma 1942-1948)	Radio-Television
Détente, La	Radio T.V. Guide
Digeste Français, Le	Rendezvous
Ensign, The	Sport et Loisir
Famille, La	Sport Illustré, Le
Farmer's Magazine (absorbed by Canadian Countryman in 1957)	Small Homes
Fashion (merged with Montrealer 1955)	Small Types
Film, Le	Trend
Forest and Outdoors	Votre Maison
Game Trails in Canada	Western Television
Hoof Prints	World Travel

1960—

Commenced Publication

Au Grand Air
Magazine Maclean, Le

Ceased Publication

Mayfair
Revue Moderne, La (merged with Chatelaine in 1960 to become Chatelaine, La Revue Moderne)
T.V. Scoop

TABLE 7

PER ISSUE CIRCULATION OF U.S. A.B.C. MAGAZINES
IN THE UNITED STATES AND CANADA, 1950-1959

	U.S. Circulation (000)	Canadian Circulation (000)	Canadian Circulation as percent of U.S.
1950	128,070	4,854	3.79
1951	127,987	5,390	4.21
1952	136,762	6,035	4.41
1953	139,089	6,337	4.56
1954	141,469	6,493	4.59
1955	161,984	6,858	4.23
1956	166,752	7,147	4.29
1957	161,690	6,737	4.17
1958	162,675	6,873	4.22
1959	164,647	6,844	4.16

Source: A.B.C. Publisher's Statements, December 31, 1950—1959

TABLE 8

PER ANNUM CIRCULATION OF U.S. A.B.C. MAGAZINES
IN THE UNITED STATES AND CANADA

	U.S. Circulation			Canadian Circulation		
	(000)	Index (1950=100)	Per 100 Adults ¹	(000)	Index (1950=100)	Per 100 Adults ¹
1950	2,332,017	100.0	2,111	80,382	100.0	835
1951	2,283,392	97.9	2,055	88,079	109.6	903
1952	2,407,332	103.2	2,152	95,065	118.3	950
1953	2,486,418	106.6	2,203	102,532	127.6	1,004
1954	2,583,470	110.8	2,264	106,047	131.9	1,015
1955	2,888,642	123.9	2,501	111,315	138.5	1,044
1956	2,992,923	128.3	2,564	117,906	146.7	1,086
1957	3,029,259	129.9	2,563	114,093	141.9	1,022
1958	3,125,319	134.0	2,608	118,432	147.3	1,040
1959	3,232,820	138.6	2,662	124,997	155.5	1,076

¹ An adult is defined as a person 15 years or over.

Source: A.B.C. Publisher's Statements, December 31, 1950—1959

TABLE 9 SUBSCRIPTION AND SINGLE COPY PER ISSUE CIRCULATION
OF LEADING U.S. A.B.C. MAGAZINES IN CANADA, 1950—59¹

	Subscription Sales		Single Copy Sales		Total Sales (000)	Subscription Sales as % of Total Sales
	(000)	Index (1950=100)	(000)	Index (1950=100)		
1950	821	100.0	1642	100.0	2463	33.3
1951	859	104.6	1648	100.4	2507	34.3
1952	954	116.2	1578	96.1	2532	37.7
1953	1058	128.9	1695	103.2	2753	38.4
1954	1172	142.8	1701	103.6	2873	40.8
1955	1430	174.2	1556	94.8	2986	47.9
1956	1555	189.4	1665	101.4	3220	48.3
1957	1733	211.1	1887	114.9	3620	47.9
1958	1883	229.4	1879	114.4	3762	50.1
1959	1992	242.6	1919	116.9	3910	50.9

¹ Includes magazines with a Canadian per issue circulation of 10,000 or over in 1959.

Source: A.B.C. Publisher's Statements, June 30, 1950—1959

TABLE 10

	U.S. Sales				Canadian Sales			
	Subscriptions	Single Copy Sales	Total	Subscription Sales as a % of Total	Subscriptions	Single Copy Sales	Total	Subscription Sales as a % of Total
American Home	3,116,623	499,720	3,616,343	86.2	58,790	15,577	76,367	77.0
Argosy	724,508	532,347	1,256,855	57.6	56,205	51,514	107,719	52.2
Atlantic Monthly	233,191	32,483	265,674	87.8	12,285	3,003	15,288	80.4
Better Homes & Gardens	4,169,995	788,143	4,958,138	84.1	69,989	47,795	117,784	59.4
The Bride's Magazine	10,646	152,970	163,616	6.5	351	10,001	10,352	3.4
Business Week	327,495	—	327,495	100.0	13,722	—	13,722	100.0
Co-Ed	359,292	—	359,292	100.0	15,057	—	15,057	100.0
Columbia	920,628	—	920,628	100.0	117,872	—	117,872	100.0
Coronet	2,216,393	720,372	2,936,765	75.5	100,129	38,493	138,622	72.2
Cosmopolitan	32,952	897,119	930,071	3.5	649	52,720	53,369	1.2
Electronics World	143,379	87,551	230,930	62.1	8,310	5,917	14,227	58.4
Esquire	612,846	150,536	673,382	80.3	37,232	8,917	46,149	80.7
Field and Stream	789,114	306,909	1,069,023	72.0	17,518	16,204	33,722	51.9
Flying	129,251	77,685	206,936	62.5	4,420	5,993	10,413	42.4
Fortune	284,271	13,564	297,835	95.4	13,442	549	13,991	96.1
Good Housekeeping	3,474,482	1,003,014	4,477,496	77.6	124,627	58,098	182,725	68.2
Junior Bazaar	305,349	111,175	416,524	73.3	6,726	7,179	13,905	48.4
Hot Rod Magazine	176,324	398,453	574,777	30.7	3,474	14,934	18,408	18.9
House & Garden	448,242	247,262	695,504	64.4	8,144	6,110	14,254	57.1
House Beautiful	488,544	373,691	862,235	56.7	2,784	8,599	11,383	24.5
Ladies' Home Journal	4,447,351	1,607,583	6,054,934	73.5	118,575	130,641	249,216	47.6
Life	5,739,132	634,426	6,373,558	90.0	274,294	40,683	314,977	87.1
Look	5,255,000	784,087	6,039,087	87.0	151,430	39,376	190,806	79.4
McCall's	4,244,588	1,538,809	5,783,397	73.4	129,488	125,129	254,617	50.9
McCall's Pattern Fashions	10,578	557,987	568,565	1.9	499	67,375	67,874	0.7
Mechanix Illustrated	688,553	316,307	1,002,860	68.5	41,943	37,446	79,389	52.8
Modern Bride	15,646	126,260	141,906	11.0	5,887	10,217	16,104	36.6
Modern Photography	118,517	71,148	189,665	62.5	7,117	7,090	14,207	50.1
Motor Life	14,224	140,045	154,269	9.2	459	7,634	8,093	5.7
Motor Trend	127,267	238,333	365,600	34.8	2,702	12,476	15,178	17.8
National Geographic Magazine	2,134,440	2,944	2,137,384	99.9	106,552	254	106,806	99.8
Newsweek	1,205,239	137,006	1,342,245	89.8	41,215	12,104	53,319	72.3
Our Sunday Visitor	347,793	539,844	887,637	39.2	3,245	56,512	59,757	5.4

SUBSCRIPTION AND SINGLE COPY PER ISSUE CIRCULATION OF SELECTED U.S. A.B.C. MAGAZINES, 1960—(Concluded)

	U.S. Sales				Canadian Sales			
	Subscriptions	Single Copy Sales	Total	Subscription Sales as a % of Total	Subscriptions	Single Copy Sales	Total	Subscription Sales as a % of Total
Outdoor Life	694,764	381,807	1,076,571	64.5	23,320	28,520	51,840	45.0
Parents' Mag. & Better Homemaking	1,707,127	13,372	1,720,499	99.2	96,269	327	96,596	99.7
Photoplay	621,235	604,620	1,225,855	50.7	41,498	56,123	97,621	42.5
Playboy	183,915	730,378	914,293	20.1	8,424	47,240	55,664	15.1
Popular Electronics	173,935	142,242	316,177	55.0	7,469	11,256	18,725	39.9
Popular Gardening	220,419	121,058	341,477	64.5	8,124	3,318	11,442	71.0
Popular Mechanics	793,293	565,661	1,358,954	58.4	44,330	54,413	98,743	44.9
Popular Photography	273,201	112,016	385,217	70.9	14,658	9,950	24,608	59.6
Popular Science Monthly	822,388	355,133	1,177,521	69.8	26,831	32,790	59,621	45.0
Radio Electronics	70,388	77,857	148,245	47.5	4,912	7,695	12,607	39.0
Readers Digest	10,442,950	1,756,066	12,199,016	85.6	930	250	1,184	78.3
Redbook Magazine	1,727,829	1,012,267	2,740,096	63.1	72,600	101,558	174,158	41.7
Road and Track	42,411	85,258	127,669	33.2	2,405	7,604	10,009	24.0
The Rotarian	307,980	298	308,278	99.9	20,867	—	20,867	100.0
The Saturday Evening Post	4,762,078	1,034,516	5,796,594	82.2	134,644	94,009	228,653	58.9
Scholastic Magazines	2,228,198	—	2,228,198	100.0	12,712	—	12,712	100.0
Science and Mechanics	120,868	436,634	557,502	21.7	2,663	35,948	38,611	6.9
Seventeen	450,019	696,912	1,146,931	39.2	11,632	44,272	55,904	20.8
Sports Afield	822,586	301,087	1,123,673	73.2	18,672	15,651	34,323	54.4
Sports Illustrated	836,586	53,498	890,084	94.0	34,706	4,529	39,235	88.5
Time	2,882,020	203,024	2,485,044	91.8	—	—	—	—
True	1,388,786	1,212,479	2,601,265	53.4	76,727	111,183	187,910	40.8
TV Guide	1,901,975	5,313,067	7,215,042	26.4	55,199	335,265	390,464	14.1
U.S. Camera (Combined with Travel and Camera)	154,267	74,587	228,854	67.4	6,114	5,845	11,959	51.1
TOTAL	76,339,071	28,371,610	104,710,681	72.9	2,280,838	1,908,290	4,189,128	54.4
Everywoman's Family Circle	—	5,048,809	5,048,809	—	—	262,276	262,276	—
Woman's Day	—	4,479,258	4,479,258	—	—	207,720	207,720	—
TOTAL including Everywoman's Family Circle and Woman's Day	76,339,071	37,899,677	114,238,748	66.8	2,280,838	2,378,286	4,659,124	49.0

Source: A.B.C. Publisher's Statements, June 30, 1960

PER ISSUE CIRCULATION OF CANADIAN A.B.C. MAGAZINES IN THE UNITED STATES, 1960

Magazine	U.S. Per Issue Sales			Total Per Issue Sales			U.S. as % of Total
	Subscription	Single Copy	Total	Subscription	Single Copy	Total	
Canadian Boating	218	—	218	6,822	565	7,387	2.95
Canadian Geographical Journal	825	4	829	10,174	589	10,763	7.70
Canadian Homes & Gardens	293	10	303	117,989	17,046	135,035	0.22
Canadian Jewish Review	66	—	66	7,785	11	7,796	0.85
Chatelaine	4,914	38	4,952	724,274	50,429	774,703	0.64
Echoes	95	—	95	31,465	—	31,465	0.30
Freemason	74	—	74	7,834	—	7,834	0.94
Hunting and Fishing in Canada	378	12	390	27,639	69	27,708	1.41
Legionary, The	3,726	—	3,726	257,005	—	257,005	1.45
Liberty	1,747	452	2,199	441,683	149,556	591,239	0.37
L'Oratoire	11,502	—	11,502	142,698	—	142,698	8.06
Maclean's Magazine	8,751	224	8,975	491,671	33,144	524,815	1.71
Montrealer, The	259	—	259	19,684	1,007	20,691	1.25
Northwest Digest	430	265	695	2,363	3,363	5,726	12.14
Quebec Home & School	—	—	—	12,200	—	12,200	—
Radiomonde & Télémonde	14	—	14	1,988	41,391	43,379	0.03
Relations	112	—	112	12,137	807	12,944	0.87
Revue Moderne, La	164	508	672	79,672	19,422	99,094	0.68
Revue Populaire, La	535	1,169	1,704	67,911	43,155	111,066	1.53
Rod and Gun in Canada	2,059	—	2,059	36,566	30	36,596	5.63
Samedi, Le	706	1,797	2,503	27,623	52,519	80,142	3.12
Saturday Night	759	—	759	73,723	3,526	77,249	0.98
Vie Etudiante	5	—	5	30,704	4,218	34,922	0.01
Voix Nationale, La	104	—	104	33,921	—	33,921	0.31
Western Homes & Living	92	—	92	17,006	1,513	18,519	0.50
Total	37,828	4,479	42,307	2,682,537	422,360	3,104,897	1.36

Source: A.B.C. Publisher's Statements, June 30, 1960

TABLE 12

PER ANNUM CIRCULATION OF MAJOR CANADIAN
WEEKEND PUBLICATIONS, 1950-59¹

Year	Thousands of Copies	Index (1950=100)
1950	103,887	100.0
1951	103,809	99.9
1952	142,177	136.9
1953	149,153	143.6
1954	158,888	152.9
1955	167,703	161.4
1956	176,151	169.6
1957	191,618	184.4
1958	190,648	183.5
1959	211,741	203.8

Source: A.B.C. or publishers sworn statements or claims as reported in Canadian Advertising

¹ Includes Star Weekly, Standard Weekend Magazine, La Patrie, La Presse, Le Petit Journal, Dimanche Matin, Journal des Vedettes, Newfoundland Herald, Notre Temps, Nouvelles Illustrees, Photo Journal, and Weekly Globe and Mail

TABLE 13

PER ANNUM CIRCULATION OF CANADIAN AND
U.S. BUSINESS PAPERS, 1950, 1955 AND 1959

	Canadian Business Papers		U.S. Business Papers ¹			
	Total Circulation (000)	Index (1950=100)	Total Circulation (000)	Index (1950=100)	Canadian Circulation (000)	Index (1950=100)
1950	23,040	100.0	79,295	100.0	1,322	100.0
1955	33,195	144.1	174,231	219.7	3,456	261.4
1959	43,235	187.7	260,482	331.0	5,459	412.9

¹ Includes U.S. A.B.C. and V.A.C. business papers with total per issue circulation of 20,000 or over, plus all U.S. B.P.A. business publications.

Source: Canadian Advertising
A.B.C. Publishers Statements
B.P.A. Circulation Statements
V.A.C. Circulation Statements

TABLE 14

PER ANNUM CIRCULATION OF CANADIAN AND
U.S. FARM PUBLICATIONS, 1950, 1955 AND 1959

	Canadian Farm Publications ¹		U.S. Farm Publications ²	
	Total Circulation (000)	Index (1950=100)	Total Circulation (000)	Canadian Circulation (000)
1950	17,868	100.0	— ³	— ³
1955	20,536	114.9	297,476	419
1959	21,593	120.8	314,532	606

¹ Excludes newspaper formats.

² Includes A.B.C. and non-A.B.C. publications.

³ Non-A.B.C. data for 1950 not available.

Source: Standard Rate and Data Service Inc.
Canadian Advertising

TABLE 15

	1959		1955		1950	
	Per Issue	Per Annum	Per Issue	Per Annum	Per Issue	Per Annum
Agricultural Institute Review	3,944	23,664	4,144	24,864	3,820	22,920
The B.C. Farmer & Gardener	—	—	12,118	145,416	10,661	127,932
Le Bulletin des Agriculteurs	150,077	1,800,924	145,538	1,746,456	148,868	1,786,416
Butter Fat	6,100	73,200	6,700	80,400	5,840	70,080
Canada Poultryman	14,014	168,168	10,119	121,428	8,530	102,360
Canadian Ayrshire Review	3,065	36,780	3,640	43,680	3,683	44,196
Canadian Cattlemen	21,571	258,852	14,305	171,660	11,000	132,000
The Canadian Countryman	—	—	—	—	82,549	1,981,176
Canadian Guernsey Breeders' Journal	1,859	11,154	2,066	12,396	1,806	10,836
Canadian Hereford Digest	13,209	79,254	10,060	60,360	7,243	43,458
Canadian Jersey Breeder	3,000	36,000	3,500	42,000	3,750	45,000
Canadian Poultry Review	15,458	185,496	16,086	193,032	10,734	128,808
The Common-Tater	—	—	—	—	4,100	24,600
Co-Op News	26,000	312,000	29,000	348,000	43,122	517,464
The Country Guide	309,478	3,713,736	282,966	3,395,592	199,898	2,398,776
Country Life	17,059	204,708	18,996	227,952	12,852	154,224
Le Digeste de l'Eleveur	6,621	79,452	5,260	63,120	5,500	66,000
*The Family Herald & Weekly Star	441,424	22,954,048	390,098	20,285,096	426,849	22,196,148
Farm & Ranch Review	93,751	1,125,012	115,231	1,382,772	118,069	1,416,828
*The Farm News	3,300	39,600	2,300	27,600	3,140	37,680
The Farmer's Advocate	213,321	5,119,704	146,553	3,517,272	86,120	2,066,880
Farmer's Magazine	—	—	132,986	1,595,832	125,115	1,501,380
Farmer's Weekly La Presse	—	—	4,222	219,544	5,900	306,800
La Ferme	161,575	1,938,900	114,024	1,368,288	80,653	967,836
Le Fermier Acadien	3,500	42,000	4,350	52,200	4,350	52,200
Le Foyer Rural	—	—	—	—	41,929	503,148
*Free Press Weekly Prairie Farmer	390,058	20,283,016	388,610	20,207,720	363,817	18,918,484
Holstein—Friesian Journal	13,794	164,988	13,752	165,024	11,596	139,152
*Jeunesse Rurale	—	—	10,889	130,668	9,401	112,812
*The Ledger	—	—	—	—	10,884	565,968
*The Macdonald College Journal	5,246	62,952	4,954	59,448	4,954	59,448
*Manitoba Co-Operator	44,733	2,326,116	51,856	2,696,512	51,073	2,655,796
Maritime Farmer and Co-Oper. Dairymen	18,585	446,040	21,708	520,992	25,608	614,592
Maritime Fur Breeder	—	—	3,215	38,580	5,037	60,444
*Market Examiner & Western Farm Jrl.	—	—	—	—	2,500	130,000
The Niagara Fruitman	—	—	—	—	4,009	48,108
Ontario Milk Producer	36,206	434,472	63,133	757,596	33,318	399,816
*Ottawa Farm Journal	—	—	—	—	15,704	1,633,216
La Revue d'Oka	—	—	—	—	2,121	12,726

	Per Issue	Per Annum	Per Issue	Per Annum	Per Issue	Per Annum
La Revue Maraîchère	20,000	80,000	98,869	395,476	2,247	8,988
The Rural Co-Operator	120,660	2,895,840	98,869	2,372,856	57,137	1,371,288
*Saskatchewan Farmer	—	—	58,076	1,393,824	63,629	1,527,096
Shorthorn News	6,200	24,800	6,725	26,900	6,750	27,000
*La Terre de Chez Nous	67,450	3,507,400	49,898	2,594,696	76,715	3,989,180
**Weekly Market News & Modern Farmer	—	—	—	—	10,303	535,756
The Western Farm Leader	—	—	—	—	27,283	654,792
*The Western Producer	138,709	7,313,868	156,681	8,147,412	151,085	7,856,420
The Bright Leaf	4,000	24,000	3,800	22,800	—	—
Canada Who's Who of the Poultry Ind.	11,901	11,901	10,000	10,000	—	—
Canadian Aberdeen—Angus News	—	—	1,600	9,600	—	—
Canadian Fruitgrower	5,006	60,072	5,127	61,524	—	—
The Canadian Tobacco Grower	4,024	32,192	3,871	23,226	—	—
Cash Crop Farming	7,006	42,036	6,300	31,500	—	—
The Cream Collector	2,049	24,588	3,067	36,804	—	—
Elect. Farming in Canada	—	—	60,000	600,000	—	—
*Farmer's Digest	—	—	5,608	134,592	—	—
Good Farming Quarterly	49,452	197,808	41,385	165,540	—	—
*The Grower	12,612	151,344	12,522	150,264	—	—
*Modern Farmer	7,777	404,404	7,777	404,404	—	—
Nelson Farm Record	—	—	20,000	240,000	—	—
*Organized Farmer	30,530	366,360	25,440	305,280	—	—
Union Farmer	11,133	133,596	15,517	186,204	—	—
*Alberta Country Life	27,145	1,411,540	—	—	—	—
The British Columbia Orchardist	4,000	48,000	—	—	—	—
The Canadian Landrace Bulletin	4,500	18,000	—	—	—	—
Canadian Swine	2,540	10,160	—	—	—	—
Canadian Wool Grower & Sheep Breeder	17,048	68,192	—	—	—	—
Farm Light and Power	100,058	1,000,580	—	—	—	—
Huron Soil & Crop News	7,000	84,000	—	—	—	—
O.A.C. Review	6,518	26,072	—	—	—	—
*The Prairie Optimist	3,721	193,492	—	—	—	—
Rocky View News & Market Examiner	6,500	338,000	—	—	—	—
The Voice of the Farmer	13,000	156,000	—	—	—	—
Total including newspaper formats	2,707,442	80,443,481	2,723,511	77,014,402	2,391,252	78,026,228
Newspaper formats	1,167,459	58,850,188	1,159,755	56,478,068	1,185,100	60,158,556
Total excl. newspaper formats	1,539,983	21,593,293	1,563,756	20,536,334	1,206,152	17,867,672

* Newspaper format.

Source: Canadian Advertising

TABLE 16

NUMBER OF TITLES AND CIRCULATION OF CANADIAN DAILY
AND WEEKLY NEWSPAPERS, 1921, 1931, 1941, 1950-1959

A DAILY NEWSPAPERS

	Number of Titles	Net Paid Circulation (000)
1921	111	1,716
1931	111	2,233
1941	90	2,250
1950	94	3,531
1951	95	3,556
1952	94	3,571
1953	95	3,655
1954	97	3,779
1955	97	3,876
1956	98	3,899
1957	108	3,979
1958	106	3,860
1959	107	3,867

B WEEKLY NEWSPAPERS

	Number of Titles	Net Paid Circulation (000)
1921	870	2,471
1931	893	3,547
1941	757	2,328
1950	830	4,042
1951	857	3,977
1952	863	4,056
1953	850	4,181
1954	871	5,611
1955	875	5,858
1956	900	6,118
1957	890	6,601
1958	866	6,369
1959	881	6,735

Source: D.B.S., Canada Year Book

TABLE 17

ADVERTISING EXPENDITURES IN CANADA, BY MEDIA, 1944, 1950-1958

Year	Net advertising revenue of print media ¹	Net advertising revenue of radio stations ²	Net advertising revenue of television stations ²	Net advertising revenue of outdoor media ³	Direct mail		Imported advertising matter ⁶	Agency commissions ⁷	Total
					Postage ⁴	Printed material ⁵			
					A THOUSANDS OF DOLLARS				
1944	53,631	11,487	—	4,145	3,000	16,493	983	5,949	95,688
1950	127,491	23,963	—	7,432	10,100	46,060	4,507	14,444	233,997
1951	140,733	26,206	—	11,923	12,700	49,868	4,633	16,255	262,318
1952	157,049	28,264	518	15,022	12,300	55,740	5,143	18,246	292,282
1953	180,824	30,221	1,335	17,784	12,600	60,609	6,507	21,559	331,439
1954	194,622	31,711	8,596	19,562	13,100	65,488	7,088	23,230	363,397
1955	212,474	32,742	13,444	22,597	13,600	72,118	7,528	26,469	400,972
1956	240,097	34,078	20,549	25,576	15,000	78,320	7,930	30,453	452,003
1957	249,575	38,118	22,266	26,606	16,400	83,561	8,166	33,377	478,069
1958	261,023	40,888	27,396	29,075	18,000	83,537	8,695	35,277	503,891
B PER CENT OF TOTAL									
1944	56.0	12.0	—	4.3	3.1	17.2	1.0	6.2	100.0
1950	54.5	10.2	—	3.2	4.3	19.7	1.9	6.2	100.0
1951	53.6	10.0	—	4.5	4.8	19.0	1.8	6.2	100.0
1952	53.7	9.7	0.2	5.1	4.2	19.1	1.8	6.2	100.0
1953	54.6	9.1	0.4	5.4	3.8	18.3	2.0	6.5	100.0
1954	53.6	8.7	2.4	5.4	3.6	18.0	2.0	6.4	100.0
1955	53.0	8.2	3.4	5.6	3.4	18.0	1.9	6.6	100.0
1956	53.1	7.5	4.5	5.7	3.3	17.3	1.8	6.7	100.0
1957	52.2	8.0	4.7	5.6	3.4	17.5	1.7	7.0	100.0
1958	51.8	8.1	5.4	5.8	3.6	16.6	1.7	7.0	100.0

Note: This table excludes advertising department costs of advertisers, talent and production costs, some miscellaneous items such as revenue from advertising films shown in theatres.

Sources:

¹ D.B.S., The Printing Trades

² D.B.S., Advertising Expenditures in Canada 1944, 1954; Royal Commission on Broadcasting, Report, Vol. I, 1957; D.B.S., Radio and Television Broadcasting, 1956, 1957 and 1958 (Note: net advertising revenue of radio stations for 1950-1953 inclusive were estimated, net advertising revenue of television broadcasting for 1953 does not include a small amount of revenue obtained by privately-owned stations in that year).

³ Estimate based on D.B.S. reports, Advertising Expenditures in Canada, 1954 and Miscellaneous Industries, 1950-1958 (Includes a small amount from rental of store signs).

⁴ Estimate based on special tabulation of Post Office Department. ⁵ D.B.S., The Printing Trades ⁶ D.B.S., Trade of Canada ⁷ D.B.S., Advertising Agencies.

NET ADVERTISING REVENUE OF CANADIAN PRINT MEDIA BY TYPE, 1950-1959

TABLE 18

Year	Newspapers			General Magazines ²	Telephone and City Directories	Business Papers (Trade, technical, scientific publications)	Agriculture	Religious, School and Other	TOTAL
	Daily	National Weekend	Weekly, bi-weekly and tri-weekly ¹						
A THOUSANDS OF DOLLARS									
1950	76,846	6,541	10,748	9,058	7,938	9,704	5,337	1,320	127,491
1951	85,283	7,266	13,059	10,188	8,573	10,588	3,929	1,847	140,733
1952	94,640	8,614	14,416	10,947	9,367	12,366	4,573	2,125	157,049
1953	109,795	9,794	16,588	12,184	10,727	14,158	5,074	2,503	180,824
1954	116,113	11,566	17,785	14,280	12,152	15,238	4,911	2,577	194,622
1955	127,331	12,502	16,306	15,725	13,741	18,336	5,959	2,573	212,474
1956	142,409	14,701	19,344	17,940	16,009	20,642	6,311	2,742	240,097
1957	146,388	15,234	19,217	18,109	18,724	22,876	6,217	2,808	249,575
1958	152,536	15,457	20,306	17,798	22,290	23,383	6,303	2,948	261,023
1959	166,316	15,357	21,900	18,513	25,873	25,183	6,751	3,061	282,953
B PER CENT OF TOTAL									
1950	60.3	5.1	8.4	7.1	6.2	7.6	4.2	1.0	100.0
1951	60.6	5.2	9.3	7.2	6.1	7.5	2.8	1.3	100.0
1952	60.3	5.5	9.2	7.0	6.0	7.9	2.9	1.4	100.0
1953	60.7	5.4	9.2	6.7	5.9	7.8	2.8	1.4	100.0
1954	59.7	5.9	9.1	7.3	6.2	7.8	2.5	1.3	100.0
1955	59.9	5.9	7.7	7.4	6.5	8.6	2.8	1.2	100.0
1956	59.3	6.1	8.1	7.5	6.7	8.6	2.6	1.1	100.0
1957	58.7	6.1	7.7	7.3	7.5	9.2	2.5	1.1	100.0
1958	58.4	5.9	7.8	6.8	8.5	9.0	2.4	1.1	100.0
1959	58.8	5.4	7.7	6.5	9.1	8.9	2.4	1.1	100.0
C INDEX (1950 =100)									
1950	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1951	111.0	111.1	121.5	112.5	108.0	109.1	73.6	140.0	110.4
1952	123.2	131.7	134.1	120.9	118.0	127.4	85.7	161.0	123.2
1953	142.9	149.7	154.3	134.5	135.1	145.9	95.1	189.6	141.8
1954	151.1	176.8	165.5	157.7	153.1	157.0	92.0	195.2	152.7
1955	165.7	191.1	151.7	173.6	173.1	189.0	111.7	194.9	166.7
1956	185.3	224.8	180.0	198.1	201.7	212.7	118.2	207.7	188.3
1957	190.5	232.9	178.8	199.9	235.9	235.7	116.5	212.7	195.8
1958	198.5	236.3	188.9	196.5	280.8	241.0	118.1	223.3	204.7
1959	216.4	234.8	203.8	204.4	325.9	259.5	126.5	231.9	221.9

¹ Includes controlled distribution weekly newspapers.

² Includes Time and Reader's Digest.

Source: Dominion Bureau of Statistics, The Printing Trades

GROSS ADVERTISING REVENUE OF LEADING CANADIAN
AND U.S. MAGAZINES, 1950-1959

A THOUSANDS OF DOLLARS

Year	Leading Canadian Magazines	Reader's Digest ¹ (Canadian Edition)	Time Magazine (Canadian Edition)	Leading U.S. Magazines
1950	7,089	1,558	1,177	428,587
1951	8,391	1,905	1,604	480,951
1952	8,462	2,477	2,005	517,575
1953	9,971	2,793	2,679	570,039
1954	10,354	2,848	2,896	572,326
1955	11,019	3,094	3,321	585,229
1956	11,969	3,650	3,878	652,211
1957	12,069	4,069	3,908	703,907
1958	11,150	4,582	3,622	668,193
1959	12,307	4,616	3,947	760,630

B INDEX (1950 = 100)

1950	100.0	100.0	100.0	100.0
1951	118.4	122.3	136.4	112.2
1952	119.4	159.0	170.5	120.8
1953	140.7	179.3	227.8	133.0
1954	146.1	182.8	246.3	133.5
1955	155.4	198.6	282.4	136.5
1956	168.8	234.3	329.7	152.2
1957	170.2	261.2	332.3	164.2
1958	157.3	294.1	307.9	155.9
1959	173.6	296.3	335.6	177.5

¹ English and French editions combined.
Source: Magazine Advertising Bureau of Canada
Leading National Advertisers, Inc.

ADVERTISING EXPENDITURES IN THE UNITED STATES BY MEDIA, 1950—1959.

TABLE 20

Year	Newspapers			Farm Papers	Business Papers	A MILLIONS OF DOLLARS					Television	Miscellaneous	TOTAL
	National	Local	Magazines			Direct Mail	Outdoor	Radio					
1950	533	1,542	478	58	251	803	143	605	171	1,125	5,710		
1951	549	1,709	536	64	292	924	149	606	332	1,265	6,426		
1952	562	1,910	575	70	365	1,024	162	624	454	1,409	7,156		
1953	643	2,002	626	72	395	1,099	176	629	606	1,561	7,809		
1954	635	2,060	629	71	408	1,202	187	565	804	1,604	8,164		
1955	743	2,345	690	73	446	1,299	192	545	1,025	1,836	9,194		
1956	789	2,447	758	73	496	1,419	201	567	1,207	1,948	9,905		
1957	810	2,474	776	72	568	1,471	206	619	1,273	2,042	10,311		
1958	769	2,424	734	67	525	1,589	192	616	1,354	2,033	10,302		
1959	826	2,720	831	71	569	1,573	193	643	1,510	2,180	11,117		
B PER CENT OF TOTAL													
1950	9.3	27.0	8.4	1.0	4.4	14.1	2.5	10.6	3.0	19.7	100.0		
1951	8.5	26.6	8.3	1.0	4.5	14.4	2.3	9.4	5.2	19.7	100.0		
1952	7.9	26.7	8.0	1.0	5.1	14.3	2.3	8.7	6.3	19.7	100.0		
1953	8.2	25.6	8.0	0.9	5.1	14.1	2.3	8.1	7.8	20.0	100.0		
1954	7.8	25.2	7.7	0.9	5.0	14.7	2.3	6.9	9.8	19.6	100.0		
1955	8.1	25.5	7.5	0.8	4.9	14.1	2.1	5.9	11.1	20.0	100.0		
1956	8.0	24.7	7.7	0.7	5.0	14.3	2.0	5.7	12.2	19.7	100.0		
1957	7.9	24.0	7.5	0.7	5.5	14.3	2.0	6.0	12.3	19.8	100.0		
1958	7.5	23.5	7.1	0.7	5.1	15.4	1.9	6.0	13.1	19.7	100.0		
1959	7.4	24.5	7.5	0.6	5.1	14.1	1.7	5.8	13.6	19.6	100.0		
C INDEX (1950 =100)													
1950	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
1951	103.0	110.8	112.1	110.3	116.3	115.1	104.2	100.2	194.2	112.4	112.5		
1952	105.4	123.9	120.3	120.7	145.4	127.5	113.3	103.1	265.5	125.2	125.3		
1953	120.6	129.8	131.0	124.1	157.4	136.9	123.1	104.0	354.4	138.8	136.8		
1954	119.1	133.6	131.6	122.4	162.5	149.7	130.8	93.4	470.2	142.6	143.0		
1955	139.4	152.1	144.4	125.9	177.7	161.8	134.3	90.1	599.4	163.2	161.0		
1956	148.0	158.7	158.6	125.9	197.6	176.7	140.6	93.7	705.8	173.2	173.5		
1957	152.0	160.4	162.3	124.1	226.3	183.2	144.1	102.3	744.4	181.5	180.6		
1958	144.3	157.2	153.6	115.5	209.2	197.9	134.3	101.8	791.8	180.7	180.4		
1959	155.0	176.4	173.8	122.4	226.7	195.9	135.0	106.3	883.0	193.8	194.7		

Note: All figures are gross, including agency commissions and talent and production charges.
Source: 1950—1958, U.S. Department of Commerce, Statistical Abstract of the United States, 1956, 1959 and 1960
1959, Printers' Ink, November 18, 1960

TABLE 21

CANADIAN AS PERCENTAGE OF U.S. PER CAPITA GROSS
ADVERTISING EXPENDITURES ON SELECTED MEDIA, 1954 AND 1958¹

Newspapers	Canada	U.S.	Canada as a per cent of U.S.
1954	\$11.42	\$15.52	73.6
1958	13.26	17.16	77.3
Magazines			
1954	1.12	3.47	32.3
1958	1.25	3.78	33.1
Farm Publications			
1954	.39	.39	100.0
1958	.44	.34	129.4
Business Papers			
1954	1.20	2.25	53.3
1958	1.65	2.71	60.9
Radio			
1954	2.31	2.81	82.2
1958	2.85	3.10	91.9
Television			
1954	.65	3.29	19.8
1958	2.64	5.46	48.4
Total expenditures on selected media			
1954	17.08	27.74	61.6
1958	22.09	32.56	67.8

¹ Talent and production charges included in U.S. estimates of advertising expenditures as reported in Statistical Abstract of the United States have been removed since Canadian data cover time and space costs only.

Sources: U.S. Dept. of Commerce, Statistical Abstract of the United States, 1956 and 1960
D.B.S., The Printing Trades, 1954 and 1958
D.B.S., Radio and Television Broadcasting, 1957 and 1958
D.B.S., Advertising Expenditures in Canada, 1954

ADVERTISING EXPENDITURES AS PERCENTAGE OF PERSONAL
CONSUMPTION EXPENDITURES IN CANADA
AND THE UNITED STATES, 1950-58¹

Percentage of Personal Consumption Expenditures

	Personal Consumption Expenditures (\$000,000)	Total Advertising Expenditures %	Gross Advertising Expenditures on Print Media %	Gross Advertising Expenditures on Magazines ^{2,3} %
CANADA				
1950	12,026	1.95	1.27	0.09
1951	13,406	1.95	1.26	0.09
1952	14,781	1.98	1.28	0.09
1953	15,592	2.13	1.39	0.09
1954	16,175	2.25	1.44	0.11
1955	17,389	2.31	1.47	0.11
1956	18,833	2.40	1.53	0.11
1957	20,072	2.38	1.49	0.11
1958	21,240	2.37	1.48	0.10
UNITED STATES				
1950	195,013	2.93	1.47	0.26
1951	209,805	3.06	1.50	0.27
1952	219,774	3.26	1.58	0.28
1953	232,649	3.36	1.61	0.29
1954	238,025	3.43	1.60	0.28
1955	256,940	3.58	1.67	0.28
1956	269,400	3.68	1.69	0.30
1957	284,442	3.62	1.65	0.29
1958	292,956	3.52	1.54	0.26

¹ U.S. percentages based on estimates of advertising expenditures which include talent and production charges whereas Canadian percentages are based on advertising data for space and time costs only.

² Canadian estimates of advertising expenditures on magazines include Canadian editions of Reader's Digest and Time

³ Canadian advertising expenditures, originally compiled by D.B.S. on a net basis, have been converted to gross to make them more comparable with U.S. data.

Source:

U.S. Dept. of Commerce, Statistical Abstract of the United States, 1956, 1959 and 1960

U.S. Dept. of Commerce, Historical Statistics of the United States, Colonial Times to 1957

U.S. Dept. of Commerce, Survey of Current Business, November, 1960

D.B.S., The Printing Trades, 1950-1958

D.B.S., National Accounts, Income and Expenditure, 1926-1956

D.B.S., National Accounts, Income and Expenditure, Fourth Quarter and Preliminary Annual, 1960

TABLE 23

CIRCULATION AND ADVERTISING REVENUE OF SELECTED
PRINT MEDIA IN THE UNITED STATES AND CANADA,
1958 AND 1954

	Circulation Revenue (\$000)	Net Advertising Revenue (\$000)	Total Revenue (\$000)	Advertising as a % of Total Revenue
1958				
Magazines —				
United States	430,976	593,444	1,024,420	57.9
Canada	7,015	17,798	24,813	71.7
Business Papers —				
United States	80,801	300,669	381,470	78.8
Canada	3,617	23,383	27,000	86.6
Farm Publications —				
United States	11,572	54,993	66,565	82.6
Canada	1,263	6,303	7,566	83.3
1954				
Magazines —				
United States	437,308	591,775	1,009,083	58.6
Canada	6,045	14,280	20,325	70.3
Business Papers —				
United States	58,031	169,557	227,588	74.5
Canada	2,830	15,238	18,068	84.3
Farm publications —				
United States	8,575	47,773	56,348	84.8
Canada	1,018	4,911	5,929	82.8

Source: U.S. Dept. of Commerce, Census of Manufactures, Periodicals Industry, 1960 (Preliminary Report)
D.B.S., The Printing Trades, 1954 and 1958

ADVERTISING AND CIRCULATION REVENUE OF CANADIAN
 PRINT MEDIA, 1950-1959

TABLE 24

	Net Advertising Revenue	Circulation Revenue	Total Revenue	Advertising as % of Total Revenue
	(thousands of dollars)			
	ALL PRINT MEDIA ¹			
1950	127,491	55,526	183,017	69.7
1951	140,733	58,335	199,068	70.7
1952	157,049	63,270	220,319	71.3
1953	180,824	66,245	247,069	73.2
1954	194,622	71,128	265,750	73.2
1955	212,474	74,563	287,037	74.0
1956	240,097	77,838	317,935	75.5
1957	249,575	82,765	332,340	75.1
1958	261,023	90,511	351,534	74.3
1959	282,953	94,204	377,157	75.0
	MAGAZINES ¹			
1950	9,058	4,849	13,907	65.1
1951	10,188	4,872	15,060	67.6
1952	10,947	4,950	15,897	68.9
1953	12,184	5,020	17,204	70.8
1954	14,280	6,045	20,325	70.3
1955	15,725	6,007	21,732	72.4
1956	17,940	6,574	24,514	73.2
1957	18,109	6,735	24,844	72.9
1958	17,798	7,015	24,813	71.7
1959	19,513	6,501	25,013	74.0

¹ Includes Canadian editions of Time and Reader's Digest.
 Source: D.B.S., The Printing Trades

ADVERTISING PAGES IN LEADING CANADIAN
 AND U.S. MAGAZINES, 1950-1959

TABLE 25

	Leading Canadian Magazines	Reader's Digest ¹ (Canadian edition)	Time (Canadian edition)	Leading U.S. Magazines
	A NUMBER OF PAGES			
1950	5,414	1,464	1,405	67,795
1951	5,797	1,674	1,718	72,496
1952	5,414	1,882	1,792	73,298
1953	5,511	1,915	2,153	79,727
1954	5,327	1,966	2,167	75,888
1955	5,189	1,928	2,323	75,584
1956	5,121	2,094	2,509	79,466
1957	4,497	2,072	2,085	78,675
1958	3,977	2,241	1,801	68,807
1959	3,886	2,333	1,964	73,955
	B INDEX (1950 =100)			
1950	100.0	100.0	100.0	100.0
1951	107.1	114.3	122.3	106.9
1952	100.0	128.6	127.5	108.1
1953	101.8	130.8	153.2	117.6
1954	98.4	134.3	154.2	111.9
1955	95.8	131.7	165.3	111.5
1956	94.6	143.0	178.6	117.2
1957	83.1	141.5	148.4	116.0
1958	73.5	153.1	128.2	101.5
1959	71.8	159.4	139.8	109.1

¹ English and French editions combined.
 Source: Leading National Advertisers, Inc.
 Printer's Ink

TABLE 26

ADVERTISING RATES OF SELECTED CANADIAN MAGAZINES
AND CANADIAN EDITIONS OF READER'S DIGEST AND
TIME, 1950, 1955 AND 1959

	Average Per Issue Circulation (Six Months Ending December)	Page Rate One-Time		Cost Per Thousand	
		Black and White	Four Colour	Black and White	Four Colour
1950		\$	\$	\$	\$
Canadian Homes and Gardens	51,770	600	800	11.59	15.45
Chatelaine	378,866	2,230	3,100	5.89	8.18
Legionary, The	76,000	315	—	4.14	—
Liberty	412,332	1,600	2,400	3.88	5.82
Maclean's Magazine	411,809	2,380	3,400	5.78	8.26
Mayfair	16,105	300	425	18.63	26.39
Montrealer	16,224	330	500	20.34	30.82
Revue Moderne, La	101,900	630	900	6.18	8.83
Revue Populaire, La	77,222	560	725	7.25	9.39
Samedi, Le	76,231	560	725	7.35	9.51
Saturday Night	55,819	398	550	7.13	9.85
Western Homes and Living	12,000	320	440	26.67	36.67
Reader's Digest (English)	614,757	1,845	2,395	3.00	3.90
Reader's Digest (French)	119,593	410	575	3.43	4.81
Reader's Digest (Combined)	734,350	1,975	2,595	2.69	3.53
1955					
Canadian Homes and Gardens	127,631	1,210	1,670	9.48	13.08
Chatelaine	397,376	2,580	3,565	6.49	8.97
Legionary, The	82,000	315	—	3.84	—
Liberty	459,428	2,245	3,530	4.89	7.68
Maclean's Magazine	477,664	2,900	4,120	6.07	8.63
Mayfair	20,499	390	540	19.03	26.34
Montrealer	15,422	330	500	21.40	32.42
Revue Moderne, La	97,751	860	1,175	8.80	12.02
Revue Populaire, La	81,473	700	950	8.59	11.66
Samedi, Le	75,773	595	850	7.85	11.22
Saturday Night	68,459	546	788	7.98	11.51
Western Homes and Living	14,695	385	525	26.20	35.73
Reader's Digest (English)	715,043	2,600	3,340	3.64	4.67
Reader's Digest (French)	147,655	650	910	4.40	6.16
Reader's Digest (Combined)	862,698	2,785	3,615	3.23	4.19
Time	168,907	1,155	1,735	6.84	10.27
1959					
Canadian Homes and Gardens	129,373	1,210	1,670	9.35	12.91
Chatelaine	745,589	4,580	6,330	6.14	8.49
Legionary, The	220,711	1,225	—	5.55	—
Liberty	588,198	3,045	4,790	5.18	8.14
Maclean's Magazine	505,195	3,460	4,900	6.85	9.70
Mayfair	—	—	—	—	—
Montrealer	18,583	385	535	20.72	28.79
Revue Moderne, La	103,795	1,040	1,420	10.02	13.68
Revue Populaire, La	106,001	980	1,250	9.25	11.79
Samedi, Le	80,349	700	940	8.71	11.70
Saturday Night	75,439	650	935	8.62	12.39
Western Homes and Living	17,555	425	615	24.21	35.03
Reader's Digest (English)	804,195	3,175	4,075	3.95	5.07
Reader's Digest (French)	190,408	815	1,135	4.28	5.96
Reader's Digest (Combined)	994,603	3,405	4,415	3.42	4.44
Time	210,697	1,575	2,365	7.48	11.22

Source: Canadian Advertising

PERCENTAGE CHANGE IN ADVERTISING RATES (COST PER THOUSAND) OF SELECTED CANADIAN MAGAZINES AND CANADIAN EDITIONS 1950-1955, 1955-1959 AND 1950-1959

	One Page, One-Time, Black and White			One Page, One-Time, Four-Colour		
	1950 to 1955	1955 to 1959	1950 to 1959	1950 to 1955	1955 to 1959	1950 to 1959
Canadian Homes & Gardens	-18.2	-1.4	-19.3	-15.3	-1.3	-16.4
Chatelaine	10.2	-5.4	4.2	9.7	-5.4	3.8
Legionary, The	-7.2	44.5	34.1	—	—	—
Liberty	26.0	5.9	33.5	32.0	6.0	39.9
Maclean's Magazine	5.0	12.9	18.5	4.5	12.4	17.4
Mayfair	2.1	—	—	-0.2	—	—
Montrealer	5.2	-3.2	1.9	5.2	-11.2	-6.6
Revue Moderne, La	42.4	13.9	62.1	36.1	13.8	54.9
Revue Populaire, La	18.5	7.7	27.6	24.2	1.1	25.6
Samedi, Le	6.8	11.0	18.5	18.0	4.3	23.0
Saturday Night	11.9	8.0	20.9	16.9	7.6	25.8
Western Homes and Living	-1.8	-7.6	-9.2	-2.6	-2.0	-4.5
Average	8.4	7.8	17.5	11.7	2.5	16.3
Reader's Digest—English	21.3	8.5	31.7	19.7	8.6	30.0
—French	28.3	-2.7	24.8	28.1	-3.2	23.9
—Combined	20.1	5.9	27.1	18.7	6.0	25.8
Time	—	9.4	—	—	9.3	—

Source: Canadian Advertising

ADVERTISING RATES OF SELECTED U.S. MAGAZINES, 1950, 1955 AND 1959

		Average Per Issue Circulation (6 months ending December)	Page Rate, One-Time		Cost Per Thousand	
			Black and White	Four-colour	Black and White	Four-colour
			\$	\$	\$	\$
American Home	1950	2,768,705	7,360	10,340	2.66	3.73
	1955	3,114,941	9,870	13,500	3.17	4.33
	1959	3,664,921	13,490	18,510	3.68	5.05
Argosy	1950	1,062,189	1,875	3,000	1.77	2.82
	1955	1,295,067	3,750	5,250	2.90	4.05
	1959	1,360,567	5,600	7,840	4.12	5.76
Better Homes & Gardens	1950	3,599,242	8,900	12,225	2.50	3.43
	1955	4,179,996	12,800	17,500	3.06	4.19
	1959	4,874,007	18,695	25,780	3.84	5.29
Columbia	1950	759,031	1,500	On request	1.98	—
	1955	854,893	1,700	On request	1.99	—
	1959	1,025,198	2,050	On request	2.00	—
Coronet	1950	2,658,539	4,025	5,720	1.51	2.15
	1955	2,768,374	5,000	7,300	1.81	2.64
	1959	3,109,813	6,800	10,050	2.19	3.23
Everywoman's Family Circle	1950	2,466,801	4,675	6,300	1.90	2.55
	1955	4,060,469	11,800	15,480	2.91	3.81
	1959	5,116,305	17,500	23,250	3.42	4.54
Field & Stream	1950	731,164	2,390	3,600 ¹	3.27	4.92
	1955	891,131	2,800	4,100 ¹	3.14	4.60
	1959	1,089,385	4,200	5,960	3.86	5.47
Good Housekeeping	1950	3,081,565	7,500	10,000 ¹	2.43	3.25
	1955	3,621,288	10,250	14,000	2.83	3.87
	1959	4,646,418	15,250	21,000	3.28	4.52
Ladies' Home Journal	1950	4,544,412	12,255	16,625	2.70	3.66
	1955	4,969,930	15,500	21,500	3.12	4.33
	1959	5,986,727	20,800	29,100	3.47	4.86

Life	1950	5,316,073	16,100	23,765 ¹	3.03	4.47
	1955	5,552,276	20,350	30,600 ¹	3.67	5.51
	1959	6,448,215	26,275	39,500	4.07	6.13
Look	1950	3,134,643	8,445	12,000	2.69	3.83
	1955	4,061,572	14,080	21,060	3.47	5.19
	1959	5,881,787	22,980	34,540	3.91	5.87
McCall's	1950	3,865,558	10,000	13,000	2.59	3.36
	1955	4,641,018	13,790	18,360	2.97	3.96
	1959	5,726,103	19,100	26,050	3.34	4.55
Mechanix Illustrated	1950	850,874	1,260	On request	1.48	—
	1955	955,736	1,620	On request	1.70	—
	1959	1,045,284	2,250	3,500 ¹	2.15	3.35
National Geographic Magazine	1950	1,889,965	4,950	6,900	2.62	3.65
	1955	2,135,387	5,800	8,000	2.72	3.75
	1959	2,399,152	7,700	10,670	3.21	4.45
Newsweek	1950	837,390	3,100	5,100 ¹	3.70	6.09
	1955	1,070,736	4,860	7,565 ¹	4.54	7.07
	1959	1,295,773	6,595	10,260	5.09	7.92
Outdoor Life	1950	735,215	2,480	3,700	3.37	5.03
	1955	919,771	2,800	4,250	3.04	4.62
	1959	1,076,262	4,000	5,600	3.72	5.20
Parents' Magazine & Better Homemaking	1950	1,227,063	4,550	5,950 ¹	3.71	4.85
	1955	1,658,377	6,590	8,700 ¹	3.97	5.25
	1959	1,815,366	8,385	11,175	4.62	6.16
Photoplay	1950	1,213,938	3,000	4,505 ¹	2.47	3.71
	1955	1,394,907	3,645	5,285 ¹	2.61	3.79
	1959	1,437,664	3,680	5,336	2.56	3.71
Popular Mechanics	1950	1,026,255	1,600	2,500 ¹	1.56	2.44
	1955	1,332,606	2,330	3,800 ¹	1.75	2.85
	1959	1,326,042	3,000	4,300 ¹	2.26	3.24

		Average Per Issue Circulation (6 months ending December)	Page Rate, One-Time		Cost Per Thousand	
			Black and White \$	Four-colour \$	Black and White \$	Four-colour \$
Popular Science Monthly	1950	1,063,410	1,700	2,500	1.60	2.35
	1955	1,122,683	2,165	3,325	1.93	2.96
	1959	1,261,989	3,000	4,250	2.38	3.37
Redbook Magazine	1950	2,001,992	4,400	6,200	2.20	3.10
	1955	2,254,015	6,240	8,805	2.77	3.91
	1959	2,980,079	10,260	14,460	3.44	4.85
The Saturday Evening Post	1950	4,001,292	11,200	16,000	2.80	4.00
	1955	4,764,879	16,800	25,045	3.53	5.26
	1959	6,227,075	26,145	38,975	4.20	6.26
Scholastic Magazine: (1) Junior Unit	1950	921,947 ²	1,150	—	—	—
	1955	991,971	2,725	—	2.75	—
	1959	1,264,005	3,725	5,575	2.95	4.41
(2) Senior Unit	1950	—	1,050	—	—	—
	1955	759,595	2,350	—	3.09	—
	1959	1,068,681	3,450	5,175	3.23	4.84
Sports Afield	1950	774,883	2,550	3,800 ¹	3.29	4.90
	1955	878,691	2,800	4,250 ¹	3.19	4.84
	1959	1,082,102	4,000	5,675	3.70	5.24
True	1950	1,446,890	3,360	4,620	2.32	3.19
	1955	1,816,674	5,700	7,980	3.14	4.39
	1959	2,353,549	9,200	12,890	3.91	5.48
TV Guide	1950	230,862	585	On request	2.53	—
	1955	3,200,004	6,000	9,000	1.87	2.81
	1959	6,831,177	14,500	20,500	2.12	3.00
Woman's Day	1950	3,743,833	8,250	11,500	2.20	3.07
	1955	3,410,345	11,200	15,200	3.28	4.46
	1959	4,247,195	15,660	21,350	3.69	5.03

¹ Insert.

² Total for both units.

Source: Standard Rate and Data Service

TABLE 29

ONE YEAR SUBSCRIPTION PRICES OF
SELECTED CANADIAN MAGAZINES, 1960

Magazine	Canada	U.S.	Foreign
Canadian Homes	\$2.50	\$4.50	\$4.50
Chatelaine	1.50	2.50	2.50
Liberty	1.00	1.50	2.00
Maclean's Magazine	3.00	6.00	6.00
Revue Moderne, La	1.50	2.00	2.00
Revue Populaire, La	1.50	2.00	2.00
Samedi, Le	3.50	5.00	5.00
Saturday Night	4.00	5.00	6.50

Source: A.B.C. Publisher's Statements, June 30, 1960.

TABLE 30

ONE-YEAR SUBSCRIPTION PRICES OF
SELECTED U.S. MAGAZINES, 1960

Magazine	U.S.	Canada	Foreign	Other ¹
American Home	\$3.00	\$3.00	\$4.00	\$3.50
Argosy	4.00	4.00	5.00	—
Better Homes and Gardens	3.00	3.00	5.00	4.00
Columbia	2.00	2.00	2.00	—
Coronet	3.00	3.00	3.00	—
Good Housekeeping	3.50	3.50	6.50	—
Ladies Home Journal	3.50	3.50	7.00	4.00
Life	5.95	5.95	12.00	—
Look	4.00	4.00	7.50	5.50
McCall's	3.00	3.00	4.00	—
Mechanix Illustrated	3.00	3.00	6.00	—
National Geographic Magazine	8.00	8.00	9.50	—
Newsweek	6.00	6.00	9.00	7.00
Parent's Magazine and Better Homemaking	3.50	3.50	4.00	—
Photoplay	2.50	2.50	5.00	—
Popular Mechanics	3.50	3.50	5.50	4.50
Redbook Magazine	3.00	3.00	4.00	4.00
Saturday Evening Post	6.00	6.00	11.00	8.00
True	4.00	4.00	6.00	—
TV Guide	5.00	5.00	8.00	7.00

¹ "Other" usually refers to Pan-American countries.

Source: A.B.C. Publisher's statements, June 30, 1960.

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